



Introduction to
Organizational Behavior

James Carter

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PREFACE

This book is a culmination of my many years of practice in this field. I attribute the success of this book to my support group. I would like to thank my parents who have showered me with unconditional love and support and my peers and professors for their constant guidance.

The study of human behavior in organizational settings as well as the interface between human behavior and the organization is referred to as organizational behavior. The research in this field is categorized into three levels. These are micro-level, meso-level and macro-level that respectively refer to the individuals in organizations, work groups and how organizations behave. The field of organizational behavior includes the study of individuals primarily in their organizational roles. A number of methods are used in organizational behavior including quantitative methods, computer simulation, and qualitative methods. Quantitative methods involve the usage of statistical methods such as correlation, analysis of variance and meta-analysis. This book contains some path-breaking studies in the field of organizational behavior. Such selected concepts that redefine this field have been presented herein. Those in search of information to further their knowledge will be greatly assisted by this book.

The details of chapters are provided below for a progressive learning:

Chapter – What is Organizational Behavior?

The study within an organization which focuses on the behavior of an individual as well as groups is known as organizational behavior. Organization models, personality psychology, cognitive psychology, social psychology, etc. fall under its domain. This is an introductory chapter which will briefly introduce about organizational behavior.

Chapter – Theories of Organizational Behavior

Some of the theories of organizational behavior are organizational theory, contingency theory, equity theory, expectancy theory, two-factor theory, resource dependence theory, etc. This chapter has been carefully written to provide an easy understanding of these theories of organizational behavior.

Chapter – Elements of Organizational Behavior

Organization development, organizational culture, organizational environment and organization climate, employee motivation stress, organizational expedience, leadership skills, etc. are some of the elements of organizational behavior. This chapter discusses these elements of organizational behavior in detail.

Chapter – Organization: Structure and Communication

The system which defines the manner in which specific activities of an organization are directed and divided to achieve business goals is known as organizational structure. The study of formal and informal communications within organization is called organizational communication. This chapter delves into organizational structure and communication to provide an in-depth understanding of it.

Chapter - Human Resource Management

The strategic approach to the effective management of people in an organization in order to gain a competitive advantage and maximize employee performance is referred to as human resource management. The topics elaborated in this chapter will help in gaining a better perspective about the different aspects of human resource management.

James Carter

WWT

What is Organizational Behavior?

1

CHAPTER

The study within an organization which focuses on the behavior of an individual as well as groups is known as organizational behavior. Organization models, personality psychology, cognitive psychology, social psychology, etc. fall under its domain. This is an introductory chapter which will briefly introduce about organizational behavior.

Organizational behavior is the study of both group and individual performance and activity within an organization.

This area of study examines human behavior in a work environment and determines its impact on job structure, performance, communication, motivation, leadership, etc.

It is the systematic study and application of knowledge about how individuals and groups act within the organizations where they work. Organizational Behavior draws from other disciplines to create a unique field.

For example, when we review topics such as personality and motivation, we will again review studies from the field of psychology. The topic of team processes relies heavily on the field of sociology.

When we study power and influence in organizations, we borrow heavily from political sciences.

Even medical science contributes to the field of Organizational Behavior, particularly in the study of stress and its effects on individuals.

There is increasing agreement as to the components or topics that constitute the subject area of Organizational Behavior.

Although there is still considerable debate as to the relative importance of change, there appears to be general agreement that Organizational Behavior includes the core topics of motivation, leader behavior, and power, interpersonal communication, group structure and processes, learning, attitude development, and perception, change processes, conflict, work design, and work stress.

Features of Organizational Behavior



Organizational Behavior is the study and application of knowledge about how people, individuals, and groups act in organizations. It does this by taking a system approach.

That is, it interprets people-organization relationships in terms of the whole person, the whole group, the whole organization, and the whole social system.

Its purpose is to build better relationships by achieving human objectives, organizational objectives, and social objectives.

Objectives of Organizational Behavior



The organizations in which people work have an effect on their thoughts, feelings, and actions. These thoughts, feelings, and actions, in turn, affect the organization itself.

Organizational behavior studies the mechanisms governing these interactions, seeking to identify and foster behaviors conducive to the survival and effectiveness of the organization.

1. Job Satisfaction.
2. Finding the Right People.
3. Organizational Culture.
4. Leadership and Conflict Resolution.
5. Understanding the Employees Better.
6. Understand how to Develop Good Leaders.
7. Develop a Good Team.
8. Higher Productivity.

These 8 objectives of organizational behavior show that Organizational Behavior is concerned with people within the organization, how they are interacting, what is the level of their satisfaction, the level of motivation, and find ways to improve it in a way the yields most productivity.

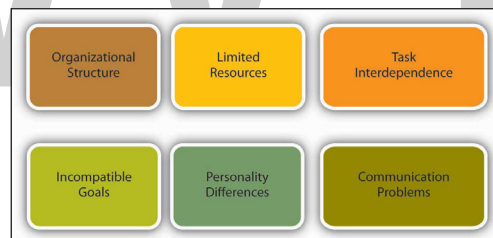
Main Challenges and Opportunities of Organizational Behavior



Challenges and opportunities of organizational behavior are massive and rapidly changing for improving productivity and meeting business goals:

1. Improving Peoples' Skills.
2. Improving Quality and Productivity.
3. Total Quality Management (TQM).
4. Managing Workforce Diversity.
5. Responding to Globalization.
6. Empowering People.
7. Coping with Temporariness.
8. Stimulating Innovation and Change.
9. Emergence of E-Organisation & E-Commerce.
10. Improving Ethical Behavior.
11. Improving Customer Service.
12. Helping Employees Balance Work-Life Conflicts.
13. Flattening World.

Limitations of Organizational Behavior



Recognize the limitations of organizational behavior. Organizational Behavior will not abolish conflict and frustration; it can only reduce them. It is a way to improve, not an absolute answer to problems.

Furthermore, it is but part of the whole cloth of an organization.

We can discuss organizational behavior as a separate subject, but to apply it, we must tie it to the whole reality. Improved organizational behavior will not solve unemployment.

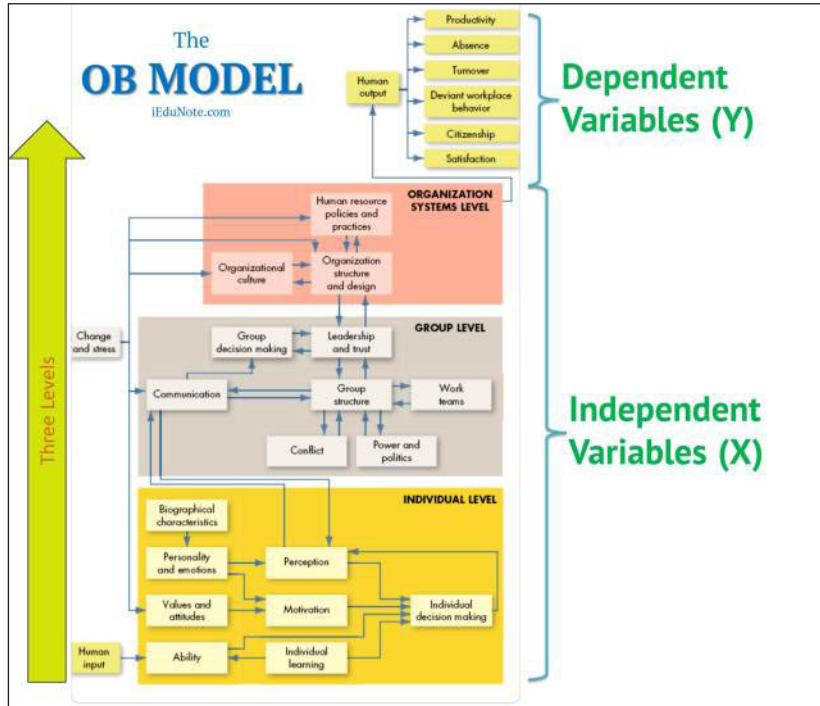
Organizational Behavior will not make up for our deficiencies, cannot substitute for poor planning, inept organizing, or inadequate controls. It is only one of the many systems operating within a larger social system.

3 major limitations of Organizational Behavior are:

- Behavioral Bias.

- The Law of Diminishing Returns.
- Unethical Manipulation of People.

Organizational Behavior Model



The Organizational Behavior model Shows the 3 levels, Individual level, Group level, and Organization System level and how they impact the elements of human output.

The above figure presents the skeleton on which constructed Organizational Behavior model.

It proposes that there are three levels of analysis in Organizational Behavior and that, as we move from the individual level to the organization systems level, we add systematically to our understanding of behavior in organizations.

The three basic levels are analogous to building blocks; each level is constructed on the previous level.

Group concepts grow out of the foundation laid in the individual section; we overlay constraints on the individual and group in order to arrive at organizational behavior.

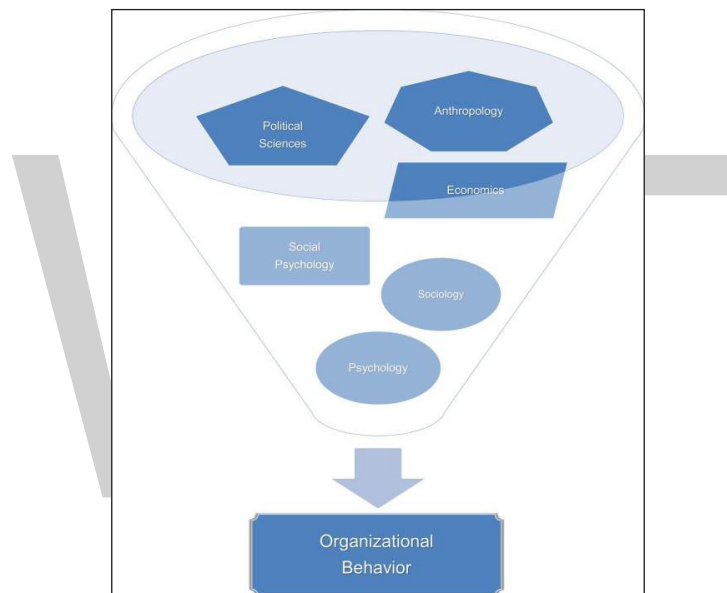


There are a complex set of key forces that affect organizational behavior today. These key forces are classified into four areas:

- People.
- Structure.
- Technology.
- Environment.

There is an interaction between people, structure, and technology and these elements are influenced by the environment.

Contributing Disciplines to the Organizational Behavior Field



There are some important disciplines in the organizational behavior field which developed it extensively.

Due to the increase of organizational complexity, various types of knowledge are required and help in many ways.

The major disciplines are;

- Psychology.
- Sociology.
- Social Psychology.
- Anthropology.
- Political Sciences.
- Economics.

Approaches to Organizational Behavior studies



Organizational behavior approaches are a result of the research done by experts in this field.

These experts studied and attempted to quantify research done about the actions and reactions of employees, with regard to their work environments.

1. Human resources approach.
2. Contingency approach.
3. Productivity approach.
4. Systems approach.

Fundamental Concepts of Organizational Behavior

Every discipline of study has certain set of fundamental concepts. They are the foundation stones on which the entire edifice of the discipline is developed. In the discipline of Accountancy the fundamental concept is “for every debit entry there will be a credit entry”. In the natural sciences the fundamental concept is the concept of uniformity of nature. The concept states that if a certain phenomenon takes place under certain situations in bengaluru it should take place under the same situations anywhere in the world.

The discipline of Organizational Behaviour has fundamental concepts revolving round the nature of people and the nature of the organization.

The concepts dealing with the nature of individual are four. They are:

- i. Individual differences;
- ii. Whole person;
- iii. Motivation i.e. caused behaviour.
- iv. Human dignity.

Individual Differences

In spite of all the human beings similar every one is different. Every one has a different gift of the nature; different quality of intelligence, different perception and the different ways of behaviour. The concept tells that every person is an entity in him. When it comes to human behaviour there

can not be a prescriptive solution. Every individual is to be treated differently even though two persons may have the same behavioural problems. The concept also tells the manager that he had better be aware of his own stereo types. A stereotype is a tendency to attribute the traits of a group to an individual because he belongs to the said group. The Jew genocide can be attributed to this stereotyping. Unfortunately one is not aware as to how these stereotypes influence his behaviour. This concept, therefore, not only tells that a manager should treat every person as an entity in himself but he should also examine his own stereotypes.

Whole Person

In the olden days employees were referred to as ‘hands’, implying that the organization hires only the hands of man. Nothing can be farther from the truth. An organization hires not only the hands of an employee but hires a complete men with all his pluses and minuses. At the same since a person performs many roles at the same time the happenings in one role are bound to affect the behaviour in others roles of the person. The concept tells the manager than when it comes to behavioural problems, he must also take into account the other roles of the person. If the whole person is to be developed then only the benefits will extend beyond the organization to the entire society, in which the employee lives.

Caused Behaviour(Motivation)

The concept reminds the manager of the law enunciated by Newton that every action has an equal and opposite reaction. This means the manager, by his own behaviour, can cause an employee behave in a particular way. If he is respectful to his employees they are bound to be respectful to him not otherwise.

Human Dignity

This concept is of a different order from the other three because it is more an ethical philosophy than a scientific conclusion. It confirms that people are to be treated differently from other factors of production. Because they are of a higher order, they want to be treated with respect and dignity. When every one, the employee, the manager as the CEO of an organization are engaged in the same pursuit. The pursuit of enabling their organization to achieve the objections for it has come in existence. Thus they are on the equal footing. The concept tells that very person should be respected simply because he happens to be an employee just as the manager is.

ORGANIZATIONAL CITIZENSHIP BEHAVIOR (OCB)

Organizational Citizenship Behavior (OCB) is defined as the context or performance in which any job or task takes place. It is basically being a person who is ready to serve the organization in matters that is outside the scope of his/her job domain. It includes being helpful, caring towards other employees in the organization.

Example, Helping out a newcomer in an organization with his work, working overtime sometimes in order to get convert clients, etc.

Advantages

1. People who engage in OCB often tend to receive better ratings, further it boosts the morale of others in organization.
2. People engaging in OCB, often faces lower risk of destaffing, as they are considered to be more valuable owing to their helpful nature.
3. OCB can further enhance productivity within a team, a group or by an employee in general, as people are there to support & help each other.
4. Creation of better communication links & developing new networks, further boosting employee morale.

Ways to Encourage OCB

1. Maintaining the social environment in the workplace: Employees interact, connect & they develop bonding.
2. Supervisory role: Training people about the implications of OCB will help them in this practice.
3. Hiring the right candidates.

Five Common Types of Organizational Citizenship Behavior

Dennis Organ's major 1988 study on organizational citizenship behavior defined the concept into five common behaviors. Organ's study suggested that, when these common behaviors are exhibited in a group setting, it will lead to effectiveness. In the context of business, this means that the five most common organizational citizenship behaviors will lead to more productivity and more effective work. Although today psychologists recognize dozens of other common positive organizational citizenship behaviors, the five defined by Organ in 1988 are still considered to be the most significant. The five most common behaviors, as defined by Dennis Organ, are: altruism, courtesy, sportsmanship, conscientiousness, and civic virtue.



Altruism

Altruism is defined as the desire to help or otherwise assist another individual, while not expecting a reward in compensation for that assistance. A common example outside of a business setting

would be someone who drives a neighbor to work when their car has broken down, while not expecting gas money or favors in compensation. In a business setting, altruistic behavior is generally related to the work or project that the business group is working on. Someone exhibiting altruistic behavior in a group setting might volunteer to work on certain special projects, voluntarily helping or assisting other employees with their work or with other tasks, and volunteering to do additional work in order to help other employees reduce their own work load. Altruism in the workplace leads to productivity and effectiveness because it encourages good inter-employee relations; it can also reduce the stress load on other employees, such as those who are overwhelmed without a little bit of help, which will in turn increase productivity.

Courtesy

Courtesy is defined as behavior which is polite and considerate towards other people. Courtesy outside of a workplace setting includes behavior such as asking how someone's morning has been or asking after the welfare of a neighbor's child. In a business context, courtesy is usually exhibited through behaviors such as inquiring about personal subjects that a coworker has previously brought up, asking if a coworker is having any trouble with a certain work related project, and informing coworkers about prior commitments or any other problems that might cause them to reduce their workload or be absent from work. Courtesy not only encourages positive social interactions between employees, which improve the work environment, but they can reduce any potential stress that might occur from employees who do not have the courtesy to inform their coworkers about issues such as upcoming absences from work—and so on.

Sportsmanship

Sportsmanship is defined as exhibiting no negative behavior when something does not go as planned—or when something is being perceived as annoying, difficult, frustrating or otherwise negative. Outside of a business context, sportsmanship is most commonly associated with sports and games—poor sportsmanship, for example, might occur when a player on a soccer team swears stomps and argues when their team loses a soccer game. In the context of business, good sportsmanship is usually related to potential complaints about work or workloads in addition to negativity surrounding work-related surprises. For example: Imagine an employee who submits their proposal to their superior may be expecting it to be well-received and accepted—it is rejected, instead, and the employee displays good sportsmanship by not complaining about the situation to other coworkers or individuals who may report their behavior to others working for the business.

Conscientiousness

Conscientiousness is defined as behavior that suggests a reasonable level of self-control and discipline, which extends beyond the minimum requirements expected in that situation. In the context of a business setting, conscientiousness is observed when an employee not only meets their employer's requirements—such as coming into work on time and completing assignments on time—but exceeds them. Exceeding these requirements, and thereby showing conscientiousness, could be observed—for example—by an employee planning ahead to ensure that they, and their coworkers, do not become overwhelmed in their work.

Civic Virtue



Civic virtue is defined as behavior which exhibits how well a person represents an organization with which they are associated, and how well that person supports their organization outside of an official capacity. For example, how well someone represents their business and how they may support that business are all examples of someone's civic virtue.

Examples of civic virtue in a business setting include speaking positively about the business to friends, family and acquaintances; signing up for business events, such as charity walking events or fundraiser parties; and generally supporting the business by always representing the business to the best of their ability even when they are not working. Civic virtue encourages a sense of community within a business setting, which has been shown to be linked to job performance and job satisfaction in employees. Employees who feel a stronger connection with their place of employment are more likely to be productive and effective workers, when compared to those who do not share a sense of community.

ORGANIZATIONAL RETALIATORY BEHAVIOR

Organizational retaliatory behavior refers to actions taken by disgruntled employees in response to perceived injustice at work. Organizational retaliatory behavior can take many forms, including withholding effort or citizenship behaviors, intentionally performing tasks incorrectly, purposely damaging equipment, taking supplies or materials, taking longer breaks than allowed, calling in sick, spreading rumors about people at work, refusing to help others at work, failing to report problems so they get worse, attending to personal matters while at work, purposely wasting time, sabotaging projects, and ignoring or verbally abusing people at work.

Although many behaviors that are classified as organizational retaliatory behavior may also be called counterproductive work behavior, workplace aggression, or employee deviance, organizational retaliatory behavior is distinct in at least two ways. First, organizational retaliatory behavior places a stronger emphasis on the situational context in which the behavior occurs as the main catalyst. In contrast, employee deviance implies an underlying dispositional tendency to engage in negative behaviors at work. Employee deviance also refers to behavior that violates

organizational norms regarding what is proper and acceptable behavior. Therefore, to the extent that retaliation is common and accepted behavior in the workplace, it may or may not be considered deviant.

Second, organizational retaliatory behavior refers specifically to behaviors that are provoked by unfair treatment at work and implies a singular motive: to restore justice or equity; counterproductive work behavior and workplace aggression take a broader perspective regarding the motives or intentions driving behavior. For example, counterproductive work behavior is defined as behavior that has the potential to harm an organization or individuals at work; and while it may be driven by malicious intent, employees may perform counterproductive work behaviors as a means of coping with job stress, as a reaction to unfairness, or out of ignorance or boredom. Workplace aggression, however, refers to behavior by employees that intends to harm; and the general aggression literature has identified two primary motives behind aggression. Aggression can be either reactive or hot, such as when an angry employee yells at a coworker, or aggression may be proactive or cold, such as when an employee spreads damaging rumors about a coworker to better personal chances of receiving a promotion. Thus although all organizational retaliatory behavior is considered workplace aggression and all workplace aggression is considered counterproductive work behavior, not all counterproductive work behavior or workplace aggression is considered organizational retaliatory behavior.

Organizational retaliatory behavior can be understood using justice theory and social exchange theory.

Justice Theory and Organizational Retaliatory Behavior

Justice theory is the theoretical framework most commonly associated with organizational retaliatory behaviors. Organizational justice refers to the perceived fairness of interactions between individuals and organizations. Researchers have discussed justice in terms of its three forms:

1. **Distributive justice:** the perceived fairness of outcomes received from an employer.
2. **Procedural justice:** the perceived fairness of the processes and decisions that determine organizational outcomes independent of the fairness of the actual outcomes received.
3. **Interactional justice:** the quality of interpersonal treatment received during the enactment of organizational procedures.

According to justice theory, when employees experience some form of injustice or inequity, they will be motivated to restore justice. Any effort to balance the justice equation would be considered a retaliatory behavior.

All three forms of justice have been shown to independently contribute to employee retaliation. However, procedural and interactional justice may be more important determinants of retaliatory behavior than distributive justice. Studies have shown that the negative effects of low distributive justice can be mitigated by the presence of high levels of either procedural or interactional justice. In other words, employees are less likely to retaliate for receiving fewer rewards if the procedures that determine those rewards are fair and if the employees are treated with dignity and respect

throughout the reward distribution process. Employees, therefore, appear to place greater emphasis on the fairness of the procedures and how well they are treated as individuals than on the absolute level of outcomes received when deciding to retaliate.

Because organizational retaliatory behaviors are assumed to be motivated by an employee's desire to restore justice, retaliatory behavior is more easily legitimized in the eyes of the performer: "I had to do something. I couldn't let him just get away with treating me like that." Hence a valuable contribution of this construct is the recognition that employees may perform these behaviors out of a desire to punish the offender and correct some wrong. Also, unlike counterproductive work behavior, workplace aggression, or employee deviance, which assume that the consequences of these behaviors are negative, no such assumption is made regarding the outcome of retaliatory behavior. In fact, it is possible that retaliation may lead to positive outcomes because there are two ways to balance the justice equation. For example, if employees feel that their supervisor is treating them unfairly, they can balance the equation by treating their supervisor unfairly in return, such as delaying actions on projects that are important to that supervisor; or they may balance the equation by demanding fairer treatment from their supervisor by confronting the supervisor directly or by complaining to a higher-level manager. Although both actions result in a more balanced justice equation, the former case has negative implications for the supervisor and organization, and possibly for the employee to the extent that job performance is affected, whereas the latter case may lead to positive outcomes if the supervisor changes behavior to treat the employee more fairly. Therefore, an important contribution of the organizational retaliatory behavior construct is that it recognizes the possibility that seemingly negative behaviors may be performed as a means to a more productive or prosocial end.

Social Exchange Theory and Organizational Retaliatory Behavior

Organizational retaliatory behavior can also be understood within the framework of social exchange theory. According to social exchange theory, employees define their relationships with their organization and their supervisor in terms of social exchange using the norm of reciprocity. Thus employees engage in retaliatory behaviors to reciprocate unfavorable treatment received from the supervisor or organization. If employees believe the organization is looking out for their best interests or is fairly providing them with valued rewards, they will respond in kind by performing positive actions such as organizational citizenship behaviors. However, if employees believe the organization or supervisor is withholding rewards or punishing them unfairly, they will reciprocate by reducing actions that benefit the organization or by performing actions that directly injure the organization.

A related theory, leader-member exchange theory, is also useful for understanding employee retaliatory behavior, particularly when that behavior is directed toward a leader. According to leader-member exchange theory, individual, group, and organizational outcomes are affected by the quality of the relationships that employees have with their leaders. Employees who have a high-quality relationship with their leaders are more trusted by their leaders and are given more autonomy and decision-making input. Those employees are more likely to be high performers and exhibit more citizenship behaviors as well. However, employees who have low-quality exchange relationships with their leaders are managed more closely and provided with less support from their leaders, and they are more likely to perform retaliatory behaviors in return.

Although justice theory and social exchange theory take slightly different approaches to understanding retaliation, both emphasize the importance of the relationship that employees have with their organizations and the people in them as antecedents to the performance of retaliatory behaviors.

Prevention of Organizational Retaliatory Behavior

Because organizational retaliatory behaviors refer specifically to actions taken by employees in response to some perceived injustice or inequity, to prevent retaliatory behaviors organizations should identify ways to increase employee perceptions of fairness at work. According to both justice and social exchange theories, the quality of employees' relationships with their supervisors is an important determinant of retaliatory behavior; therefore organizations should carefully select managers and screen out those with a history of interpersonal conflict or other unethical behavior. Furthermore, organizations should make managers aware of the importance of treating all employees fairly and provide training to managers to equip them with the knowledge and skills necessary to provide employees with fair and just treatment, including suppressing personal biases, basing decisions on accurate information, administering policies consistently, giving employees a voice in the decision-making process, allowing for corrections to be made, behaving ethically, being truthful and honest with employees, and respectfully interacting with employees. Additionally, organizational policies and procedures should be reviewed and revised if necessary so they reflect the organization's commitment to fair treatment of all employees. If employees have confidence in their ability to redress a perceived injustice using formal channels, they may feel less of a need to perform retaliatory behaviors or otherwise take matters into their own hands.

On the employee side, there is some evidence suggesting that individual differences in personality are related to the performance of retaliatory behaviors. At least one study found that individuals high in negative affectivity or low on agreeableness were more likely to perform retaliatory behaviors when they experienced low justice. Thus organizations should modify their selection and screening processes to identify individuals with a greater propensity to perform retaliatory behaviors or who have a history of performing retaliatory behaviors in past jobs.

NATURE OF ORGANISATIONS

With regard to the nature of organization the key assumptions are that the social systems and that they are formed on the basis of mutual interests of the employees and the management meaning thereby that there is a mutuality of interests.

Organisation is a Social System

All the employees comprising organizations are the members of the society from which they come. Thus the organization becomes a social system, where the value systems customs etc. conform to those of the society at large. Any organization that has inconsistent value system with the external society does not last long. That an organization is a social system also implies that the organizational environment is not static. All parts of the organizational system are interdependent and are subject to influence by other parts of the organization as well the society at large.

Mutually of Interests

Organizations have a human purpose. They are formed and maintained on the basis of some mutuality of interests among the participants. Organizations help people achieve their own personal objectives at the same time people help organizations achieve its objectives. It is a symbiotic relation. Everybody must bear in mind that the organizational and employees interests are intertwined in such a way that if the interests of one suffer the interests of the another do suffer. Both the employees and organization can prosper if they help each other to prosper.

ORGANISATION MODELS

Keith Davis recognizes four different models of Organizational Behavior These models show the evolution of the thinking and behaviour on the part of management and managers alike. These models also denote the responses of the employees to the various orientations of the managers and the general behavioural climate prevailing in the manager-employee relationship. In terms of the evolution of Organizational Behavior thought these models are autocratic, custodial, supportive and collegial.

The autocratic model was very much in existence at the time of industrial revolution and some time after. These are, one may easily notice, the assumptions of the Theory X in their darkest color. With the passage of the time the autocratic model as well as the assumptions of the Theory X have become diluted.

Subsequently because of the changes in the thinking of the industrialists and the managers we find the custodial model of Organizational Behavior It consisted in giving some sops, concessions or economic privileges to the employees to keep them happy. In due course of time the custodial model got degenerated in what was known as paternalistic attitude. Actually there is no basic behavioural difference between the autocratic and the custodial model. In both these models managers did not bother to create an atmosphere which would be conducive to the development of the employees. The question of motivating, guiding and developing the employees did not arise. The change in managerial orientation can be perceived when we study the supportive model. The supportive model emerged as a sequel to the human relations era. While the managerial behaviour, in the autocratic model is based on the assumptions of theory X; the participative model is based on the assumptions of theory Y.

This theory assumes that the employees have the skill and the will to contribute to the organisational efforts. It came to be recognized that a manager is not the boss but a leader of the team of employees entrusted to him. Leader, as such, it was his responsibility to create an environment where the skills and the wills of the employees to contribute to the organizational effort are supported. The fourth model i.e. collegial model has a limited application, in as much as, it is useful when one is dealing with the “Scientific and Professional” employees. The manager’s role is changed from that of a leader to that of a partner. The employees and the manager are the partners in the pursuit of the same objectives. Whatever the work, it is to be done as a team where the lines between the manager and the employee are obliterated.

Table: The models along with their various facets.

	Autocratic	Custodial	Supportive	Collegial
Model depends on	Power	Economic resources	Leadership	Partnership
Managerial orientation	Authority	Money	Support	Teamwork
Employee orientation	Obedience	Security	Job performance	Responsibility
Employee psychological result	Dependence on boss	Dependence on organization	Participation	Self-discipline
Employee needs met	Subsistence	Maintenance	Higher-order	Self-actualization
Performance result	Minimum	Passive cooperation	Awakened drives	Moderate enthusiasm

PERSONALITY PSYCHOLOGY

Personality psychology is one of the largest and most popular branches of psychology.

Psychologists also assess, diagnose, and treat personality disorders that can interfere with an individual’s day-to-day life.

Personality

What is it that makes you who you are? Certainly, many factors contribute to the person you are today, including your genetics, your upbringing, and your life experiences.

Many would argue that what truly makes you unique is the characteristic patterns of thoughts, feelings, and behaviors that make up your personality.

While there is no single agreed upon definition of personality, it is often thought of as something that arises from within the individual and remains fairly consistent throughout life. It encompasses all of the thoughts, behavior patterns, and social attitudes that impact how we view ourselves and what we believe about others and the world around us.

In order to understand how researchers study personality psychology, it is important to learn about some of the most influential personality theories.

A number of different theories have emerged to explain various aspects of personality. Some theories focus on explaining how personality develops, while others are concerned with individual differences in personality.

Personality is often Described in Terms of Traits

The trait theories of personality are centered on the idea that personality is made up of a number of different broad traits or dispositions. Various theories have been proposed over the years to attempt to identify exactly which attributes serve as key components in personality and to determine the total number of personality traits.

Psychologist Gordon Allport was one of the first to describe personality in terms of individual traits. In his dispositional perspective, he suggested that there are different kinds of traits. Common traits are those that are shared by many people within a particular culture. Central traits are those that make up an individual's personality.

Mother Teresa, for example, was so well-known for her charitable work that her name became almost synonymous to service to those in need.

While Allport had suggested that there were as many as 4,000 individual traits, the psychologist Raymond Cattell proposed that there were 16. He also believed that these traits exist on a continuum and that all people possess each trait in varying degrees. Later, psychologist Hans Eysenck narrowed this list of traits even further and suggested that there were just three: extroversion, neuroticism, and psychoticism.

The "Big Five" theory is perhaps the most popular and widely accepted trait theory of personality today. This theory proposes that personality is made up of five broad personality dimensions: extroversion, agreeableness, conscientiousness, neuroticism, and openness. Each trait exists as a broad continuum, and each individual's personality lies somewhere on that spectrum for each trait.

For example, you might be high in extroversion, conscientiousness, and agreeableness while being somewhere in the middle of the continuum for the traits of openness and neuroticism.

Some Theories Look at how Personality Develops and Changes through Life

Freud's theory of psychosexual development is one of the best-known personality theories, but also one of the most controversial. According to Freud, children progress through a series of stages of personality development. At each stage, libidinal energy, or the force that drives all human behaviors, becomes focused on specific erogenous zones. Successful completion of each stage results in moving on to the next phase of development, but failure at any particular stage can lead to fixations that can impact adult personality.

During each stage, the individual faces a developmental crisis that serves as a turning point in development.

Erikson was more interested in how social interactions influenced the development of personality and was primarily concerned with the development of what he called ego identity. Successfully completing the stages leads to the development of a healthy personality. While Freud's theory suggested that personality is primarily formed and set in stone at a very early age, Erikson believed that personality continues to develop and grow throughout life.

Testing Personality

In order to study and measure personality, psychologists have developed a number of different personality tests, assessments, and inventories. Many of these tests are widely used in a variety of settings. For example, the famous Myers-Briggs Type Indicator (MBTI) is frequently used as a pre-employment screening assessment.

Other assessments may be used to help people learn more about different aspects of their personalities or as screening and evaluation tools when diagnosing different types of personality disorders.

The chances are that you have encountered a wide variety of personality tests in different forms online. Many of these tests purport to reveal the “real you,” while others are clearly just for entertainment. For example, you might come across online quizzes that identify whether you have an extroverted or introverted personality.

The key is to remember that any assessment that you take online should probably be taken with a grain of salt. These informal tools can be fun and can even sometimes offer insight into your preferences and characteristics, but only personality tests administered by trained and qualified professionals should be used for any sort of formal assessment or diagnosis.

COGNITIVE PSYCHOLOGY

Cognitive psychology involves the study of internal mental processes—all of the things that go on inside your brain, including perception, thinking, memory, attention, language, problem-solving, and learning. While it is a relatively young branch of psychology, it has quickly grown to become one of the most popular subfields.

There are numerous practical applications for this cognitive research, such as providing help coping with memory disorders, increasing decision-making accuracy, finding ways to help people recover from brain injury, treating learning disorders, and structuring educational curricula to enhance learning.

Learning more about how people think and process information not only helps researchers gain a deeper understanding of how the human brain works, but it allows psychologists to develop new ways of helping people deal with psychological difficulties. For example, by recognizing that attention is both a selective and limited resource, psychologists are able to come up with solutions that make it easier for people with attentional difficulties to improve their focus and concentration.

Findings from cognitive psychology have also improved our understanding of how people form, store, and recall memories. By knowing more about how these processes work, psychologists can develop new ways of helping people improve their memories and combat potential memory problems.

For example, psychologists have found that while your short-term memory is quite short and limited (lasting just 20 to 30 seconds and capable of holding between five and nine items), rehearsal strategies can improve the chances that information will be transferred to long-term memory, which is much more stable and durable.

SOCIAL PSYCHOLOGY

Social psychology is the scientific study of the behaviour of individuals in their social and cultural setting. Although the term may be taken to include the social activity of laboratory animals or those in the wild, the emphasis here is on human social behaviour.

Once a relatively speculative, intuitive enterprise, social psychology has become an active form of empirical investigation, the volume of research literature having risen rapidly after about 1925. Social psychologists now have a substantial volume of observation data covering a range of topics; the evidence remains loosely coordinated, however, and the field is beset by many different theories and conceptual schemes.

Early impetus in research came from the United States, and much work in other countries has followed U.S. tradition, though independent research efforts are being made elsewhere in the world. Social psychology is being actively pursued in the United Kingdom, Canada, Australia, Germany, the Netherlands, France, Belgium, Scandinavia, Japan, and Russia. Most social psychologists are members of university departments of psychology; others are in departments of sociology or work in such applied settings as industry and government.

Much research in social psychology has consisted of laboratory experiments on social behaviour, but this approach has been criticized in recent years as being too stultifying, artificial, and unrealistic. Much of the conceptual background of research in social psychology derives from other fields of psychology. While learning theory and psychoanalysis were once most influential, cognitive and linguistic approaches to research have become more popular; sociological contributions also have been influential.

Social psychologists are employed, or used as consultants, in setting up the social organization of businesses and psychiatric communities; some work to reduce conflict between ethnic groups, to design mass communications (e.g., advertising), and to advise on child rearing. They have helped in the treatment of mental patients and in the rehabilitation of convicts. Fundamental research in social psychology has been brought to the attention of the public through popular books and in the periodical press.

Social Perception

In some laboratory experiments, subjects watch stills or moving pictures, listen to tape recordings, or directly observe or interact with another person. Subjects may be asked to reveal their social perception of such persons on rating scales, to give free descriptions of them, or to respond evaluatively in other ways. Although such studies can produce results that do not correspond to those in real-life settings, they can provide useful information on the perception of personality, social roles, emotions, and interpersonal attitudes or responses during ongoing social interaction.

Research has been directed to how social perception is affected by cultural stereotypes (e.g., racial prejudice), by inferences from different verbal and nonverbal cues, by the pattern of perceptual activity during social interaction, and by the general personality structure of the

perceiver. The work has found practical application in the assessment of employees and of candidates for positions.

There also has been research on the ways in which perception of objects and people is affected by social factors such as culture and group membership. It has been shown, for example, how coins, colours, and other physical cues are categorized differently by people as a result of their group membership and of the categories provided by language. Other studies have shown the effect of group pressures on perception.

Interaction Processes

The different verbal and nonverbal signals used in conversation have been studied, and the functions of such factors as gaze, gesture, and tone of voice are analyzed in social-interaction studies. Social interaction is thus seen to consist of closely related sequences of nonverbal signals and verbal utterances. Gaze has been found to perform several important functions. Laboratory and field studies have examined helping behaviour, imitation, friendship formation, and social interaction in psychotherapy.

Among the theoretical models developed to describe the nature of social behaviour, the stimulus–response model (in which every social act is seen as a response to the preceding act of another individual) has been generally found helpful but incomplete. Linguistic models that view social behaviour as being governed by principles analogous to the rules of a game or specifically to the grammar of a language have also attracted adherents. Others see social behaviour as a kind of motor skill that is goal-directed and modified by feedback (or learning), while other models have been based on the theory of games, which emphasizes the pursuit and exchange of rewards and has led to experiments based on laboratory games.

Small Social Groups

All small social groups do not function according to the same principles, and, indeed, modes of social activity vary for particular kinds of groups (e.g., for families, groups of friends, work groups, and committees).

Earlier research was concerned with whether small groups did better than individuals at various tasks (e.g., factory work), while later research has been directed more toward the study of interaction patterns among members of such groups. In the method known as sociometry, members nominate others (e.g., as best friends) to yield measures of preference and rejection in groups. Others have studied the effects of democratic and authoritarian leadership in groups and have greatly extended this work in industrial settings. In research on how people respond to group norms (e.g., of morality or of behaviour), most conformity has been found to the norms of reference groups (e.g., to such groups as families or close friends that are most important for people). The emergence and functioning of informal group hierarchies, the playing of social roles (e.g., leader, follower, scapegoat), and cohesiveness (the level of attraction of members to the group) have all been extensively studied. Experiments have been done on processes of group problem solving and decision making, the social conditions that produce the best results, and the tendency for groups to make risky decisions. Statistical field studies of industrial work groups have sought the conditions for greatest production effectiveness and job satisfaction.

Social Organizations

Such organizations as businesses and armies have been studied by social surveys, statistical field studies, field experiments, and laboratory experiments on replicas of their social hierarchies and communication networks. Although they yield the most direct evidence, field experiments present difficulties, since the leaders and members of such organizations may effectively resist the intervention of experimenters. Clearly, efforts to try out democratic methods in a dictatorship are likely to be severely punished. Investigators can study the effects of role conflict resulting from conflicting demands (e.g., those from above and below) and topics such as communication patterns in social organizations. Researchers also have studied the sources of power and how it can be used and resisted. They consider the effectiveness of different organizational structures, studying variations in size, span of control, and the amount of power delegation and consultation. In factories, social psychologists study the effects of technology and the design of alternative work-flow systems. They investigate methods of bringing about organizational change (e.g., in the direction of improving the social skills of people and introducing industrial democracy).

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Theories of Organizational Behavior

2

CHAPTER

Some of the theories of organizational behavior are organizational theory, contingency theory, equity theory, expectancy theory, two-factor theory, resource dependence theory, etc. This chapter has been carefully written to provide an easy understanding of these theories of organizational behavior.

ORGANIZATIONAL THEORY

The Organizational Theory refers to the set of interrelated concepts, definitions that explain the behavior of individuals or groups or subgroups, who interacts with each other to perform the activities intended towards the accomplishment of a common goal.

In other words, the organizational theory studies the effect of social relationships between the individuals within the organization along with their actions on the organization as a whole. Also, it studies the effects of internal and external business environment such as political, legal, cultural, etc. on the organization.

The term organization refers to the group of individuals who come together to perform a set of tasks with the intent to accomplish the common objectives. The organization is based on the concept of synergy, which means, a group can do more work than an individual working alone.

Thus, in order to study the relationships between the individuals working together and their overall effect on the performance of the organization is well explained through the organizational theories. Some important organizational theories are:

1. Classical Theory.
2. Scientific Management Theory.
3. Administrative Theory.
4. Bureaucratic Theory.
5. Neo-Classical Theory.
6. Modern Theory.

An organizational structure plays a vital role in the success of any enterprise. Thus, the organizational theories help in identifying the suitable structure for an organization, efficient enough to deal with the specific problems.

Classical Theory

The Classical Theory is the traditional theory, wherein more emphasis is on the organization rather than the employees working therein. According to the classical theory, the organization is considered as a machine and the human beings as different components/parts of that machine.

The classical theory has the following characteristics:

1. It is built on an accounting model.
2. It lays emphasis on detecting errors and correcting them once they have been committed.
3. It is more concerned with the amount of output than the human beings.
4. The human beings are considered to be relatively homogeneous and unmodifiable. Thus, labor is not divided on the basis of different kinds of jobs to be performed in an organization.
5. It is assumed that employees are relatively stable in terms of the change, in an organization.
6. It is assumed that the authority and control should be vested with the central authority only, in order to have a centralized and integrated system.

Some writers of the classical theory emphasized on the technological aspects of the organization and how the individuals can be made more efficient, while others emphasized on the structural aspects of an organization so that individuals collectively can be made more efficient. Thus, this purview of different writers resulted in the formation of two distinct streams:

1. Scientific Management Stream.
2. Administrative Management Stream.

Thus, according to this theory the human beings are just considered as a means of production.

Scientific Management Theory

The Scientific Management Theory is well known for its application of engineering science at the production floor or the operating levels. The major contributor of this theory is Fredrick Winslow Taylor, and that's why the scientific management is often called as "Taylorism".

The scientific management theory focused on improving the efficiency of each individual in the organization. The major emphasis is on increasing the production through the use of intensive technology, and the human beings are just considered as adjuncts to machines in the performance of routine tasks.

The scientific management theory basically encompasses the work performed on the production floor as these tasks are quite different from the other tasks performed within the organization. Such as, these are repetitive in nature, and the individual workers performing their daily activities are divided into a large number of cyclical repetition of same or closely related activities. Also, these activities do not require the individual worker to exercise complex-problem solving activity. Therefore, more attention is required to be imposed on the standardization of working methods and hence the scientific management theory laid emphasis on this aspect.

The major principles of scientific management, given by Taylor, can be summarized as follows:

- Separate planning from doing.
- The Functional foremanship of supervision, i.e. Eight supervisors required to give directions and instructions in their respective fields.
- Time, motion and fatigue studies shall be used to determine the fair amount of work done by each individual worker.
- Improving the working conditions and standardizing the tools, period of work and cost of production.
- Proper scientific selection and training of workmen should be done.
- The financial incentives should be given to the workers to boost their productivity and motivate them to perform well.

Thus, the scientific management theory focused more on mechanization and automation, i.e., technical aspects of efficiency rather than the broader aspects of human behavior in the organization.

Administrative Theory

The Administrative Theory is based on the concept of departmentalization, which means the different activities to be performed for achieving the common purpose of the organization should be identified and be classified into different groups or departments, such that the task can be accomplished effectively.

The administrative theory is given by Henri Fayol, who believed that more emphasis should be laid on organizational management and the human and behavioral factors in the management. Thus, unlike the scientific management theory of Taylor where more emphasis was on improving the worker's efficiency and minimizing the task time, here the main focus is on how the management of the organization is structured and how well the individuals therein are organized to accomplish the tasks given to them.

The other difference between these two is, the administrative theory focuses on improving the efficiency of management first so that the processes can be standardized and then moves to the operational level where the individual workers are made to learn the changes and implement those in their routine jobs. While in the case of the scientific management theory, it emphasizes on improving the efficiency of the workers at the operating level first which in turn improves the efficiency of the management. Thus, the administrative theory follows the top-down approach while the scientific management theory follows the bottom-up approach.

Bureaucratic Theory

The Bureaucratic Theory is related to the structure and administrative process of the organization and is given by Max Weber, who is regarded as the father of bureaucracy. The term bureaucracy means the rules and regulations, processes, procedures, patterns, etc. that are formulated to reduce the complexity of organization's functioning.

According to Max Weber, the bureaucratic organization is the most rational means to exercise a vital control over the individual workers. A bureaucratic organization is one that has a hierarchy of authority, specialized work force, standardized principles, rules and regulations, trained administrative personnel, etc.

The Weber's bureaucratic theory differs from the traditional managerial organization in the sense; it is impersonal, and the performance of an individual is judged through rule-based activity and the promotions are decided on the basis of one's merits and performance.

Also, there is a hierarchy in the organization, which represents the clear lines of authority that enable an individual to know his immediate supervisor to whom he is directly accountable. This shows that bureaucracy has many implications in varied fields of organization theory.

Thus, Weber's bureaucratic theory contributes significantly to the classical organizational theory which explains that precise organization structure along with the definite lines of authority is required in an organization to have an effective workplace.

Neo-Classical Theory

The Neo-Classical Theory is the extended version of the classical theory wherein the behavioral sciences gets included into the management. According to this theory, the organization is the social system, and its performance does get affected by the human actions.

The classical theory laid emphasis on the physiological and mechanical variables and considered these as the prime factors in determining the efficiency of the organization. But, when the efficiency of the organization was actually checked, it was found out that, despite the positive aspect of these variables the positive response in work behavior was not evoked.

Thus, the researchers tried to identify the reasons for human behavior at work. This led to the formation of a Neo-Classical theory which primarily focused on the human beings in the organization. This approach is often referred to as "behavioral theory of organization" or "human relations" approach in organizations.

The Neo-Classical theory posits that an organization is the combination of both the formal and informal forms of organization, which is ignored by the classical organizational theory. The informal structure of the organization formed due to the social interactions between the workers affects and gets affected by the formal structure of the organization. Usually, the conflicts between the organizational and individual interest exist, thus the need to integrate these arises.

The Neo-Classical theory asserts that an individual is diversely motivated and wants to fulfill certain needs. The communication is an important yardstick to measure the efficiency of the information being transmitted from and to different levels of the organization. The teamwork is the prerequisite for the sound functioning of the organization, and this can be achieved only through a behavioral approach, i.e. how individual interact and respond to each other.

Modern Theory

The Modern Theory is the integration of valuable concepts of the classical models with the social and behavioral sciences. This theory posits that an organization is a system that changes with the change in its environment, both internal and external.

There are several features of the modern theory that make it distinct from other sets of organizational theories, these are:

1. The modern theory considers the organization as an open system. This means an organization consistently interacts with its environment, so as to sustain and grow in the market. Since, the organization adopts the open system several elements such as input, transformation, process, output, feedback and environment exists. Thus, this theory differs from the classical theory where the organization is considered as a closed system.
2. Since the organization is treated as an open system, whose survival and growth is determined by the changes in the environment, the organization is said to be adaptive in nature, which adjusts itself to the changing environment.
3. The modern theory considers the organization as a system which is dynamic.
4. The modern theory is probabilistic and not deterministic in nature. A deterministic model is one whose results are predetermined and whereas the results of the probabilistic models are uncertain and depends on the chance of occurrence.
5. This theory encompasses multilevel and multidimensional aspects of the organization. This means it covers both the micro and macro environment of the organization. The macro environment is external to the organization, while the micro environment is internal to the organization.
6. The modern theory is multi-variable, which means it considers multiple variables simultaneously. This shows that cause and effect are not simple phenomena. Instead, the event can be caused as a result of several variables which could either be interrelated or interdependent.

The scientists from different fields have made major contributions to the modern theory. They emphasized on the importance of communication and integration of individual and organizational interest as prerequisites for the smooth functioning of the organization.

Organisational Routines

In organizational theory, organizational routines are “repetitive, recognizable patterns of interdependent actions, carried out by multiple actors”. Routines have been used in evolutionary economics and in generalized evolutionary theory as a social replicator – a mechanism that acts as biological genes in that it can pass (or replicate) certain behaviors and knowledge. It has also been used in the research literature on organizational learning, serving as a sort of “memory”, especially of uncodified, tacit knowledge. In the strategic management research literature, especially in the area of resource-based view of firms, organizational routines are often used as the micro-foundations of organizational capabilities and dynamic capabilities. Despite the extensive usage of the routines concept in the research literature, there is still much debate about organizational routines. For example, scholars see them both as a source of stability and as a driver of organizational change. In an attempt to better understand the “inside” of organizational routines, Pentland and Feldman offered the distinction between the ostensive and performative aspects of routines. The latter refers to the actual actions performed by actors, while the former often refers to some abstract “script” that represent that routines more abstractly. Cohen and Bacdayan showed that

from a cognitive perspective, routines are stored as procedural memory (and not declarative, for example), and hence it is not likely that there is script that codifies routines. In contrast, some scholars have likened routines to grammars of actions.

Foundation of Routines

The concept of organisational routines can be linked to the Carnegie School. In this regard, Dewey's work construed habits as a form of reflective action and as major driver of individual and collective behaviour. In later years, Stene described organisational routines as interaction patterns that are pertinent for the coordination of organisational activities and differentiated them from actions that are preceded by decision making. According to Simon, individual's ideas are boundedly rational and organizations are rational systems wherein coordination and resolution of conflict is necessary. He also contended that organisational routines develop to save time and attention during the analysis and making of decisions. Such routines are combined with performance programs that enable organisations to respond to the changes in the environment. The standard rules and behavioural patterns bring about effective organisational decision-making processes as they reinforce search issues, conflict resolution and environment adaptation.

The cognitive underpinnings of organisational behaviour of the Carnegie School were underpinned by the aspects of emotion and habit. Routines are defined as regular and predictable firm patterns and they act like biological genes as they are heritable and selectable by the environment. As such, they provide the basis of the organisation's evolutionary change (e.g. production or implementation) as opposed to knowing how to choose (e.g. deliberation, alternative selection or modification). On the other hand, capabilities are described as the various things that a firm can do at any point in time and is a term that is synonymously used with routines. Individual skills were employed by Nelson and Winter to explain routines in that they suggested that routines coordinated behaviours that function smoothly. Routines are considered as performance targets that offer mechanisms for control and platforms for replication. They are also repository of organisational memory within organisations as organisations keep track of specific routines by specific individuals as a reaction to distinct stimulus. According to Nelson and Winter, routines contextual basis lies on skills, organizations and technology that are combined in a single functioning routines.

Routines are also the basis for change in that innovation refers to the new combinations of existing routines. In other words, the notion of routines is expanded beyond the simple procedures and programs. Added to this, it drew work from the capabilities perspective by introducing a firm-specific, path-dependent concept of routines that stresses on their complexity and underlies their influence on the differences in performance. Despite the fact that it is grounded in evolutionary economics and hence paying minimal focus on individual agency in routines, significant number of ideas remains aligned with the practice perspective.

Moreover, Nelson and Winter expected the recent focus on endogenous change in routines when they contended that routine operation is aligned with routinely arising laxity, slippage, rule-breaking, defiance and sabotage. However, ambiguities still arise concerning the intentionality of routines and the level to their stability and change, where some scholars addressed the behavioural regularities of routines and their habitual nature, specifically bringing forward that they are mindlessly conducted until they are disturbed by an external change. This is aligned with the notion of routines as heuristics and simple rule of thumb to tackle daily decisions.

In relation to this, Weick and Roberts adopted a cognitive approach by explaining that tacit coordination and heedful interrelationships in activity systems of routines stem from a collective mind and the shared consensus of the way tasks are completed and each individual's role indicates an innate and distinct view of routines.

This argument was countered by Pentland who contended that the performance of routines require individuals' selection of an action from a list of actions where the performance outcome is thought to be effortful achievements. Pentland's work is the basis for the practice perspective as it pays attention to the daily actions related with distinct routines. On the basis of such basic understanding, organisational routines refer to the repetitive patterns of interdependent organisational actions – a definition aligned with the foundations of routines and with the capabilities and practice perspectives emerging from this work with differing focus. On one hand, the capabilities perspective is based on the organisational economics point of view where routines are considered as a black box and is focused on accomplishing organizational goals and on the other hand, the practice perspective is based on organisational theory where the black box processes are emphasized.

The Concept of Routines

Routine is based on the premise of patterns developed by activities over time. Despite this premise, there is still confusion on the actual meaning of activity. The literature analysis presented by Becker is consistent with the routines definition as the recurrent interaction of patterns and it stresses on the collective nature of routines rather than the individual nature of habits. Routines are core to the economic and business phenomena owing to their roles in the organisation.

Routines have various organisational roles – first, they coordinate and control. Coordination is when the simultaneity of action is enabled after which it leads to regularity, consistency and predictability and it can easily change into control. Second, routines also reflect a truce in that they are developed on a micro-political stability that enables their free functioning. Nelson and Winter explained that such an aspect of routines have been largely ignored although it is crucial in terms of evolutionary theory outcomes. Without such truce, the explanation behind the disturbing interference in the routine environment and their stability will be lacking. Third, routines are major mechanisms in economizing on bounded cognitive resources by freeing up such resources on the greater awareness levels via the relegation of repetitive decisions to be tackled through semi-conscious mechanisms.

Attention is focused on the exceptional events rather than the repetitive ones, and as such, the search is guided by experience and in this way, routines significantly contribute to the actor's ability to handle uncertainty. Fourth, routines assist in handling uncertainty with two mechanisms underlying this potential namely, the freeing up of mental resources through relegation of activities, and setting up a specific predictability of other participants via the constraints of setting. Fifth, routines can create inertia, driven by cognitive sunk costs but this does not necessarily mean there is no potential for variations and sixth, routines do not have to result in inertia as it can also result in stability. This function is ignored in favour of the pathological condition 'inertia'. The stability provision plays a key role in learning as it allows comparison. Therefore, routines have a role in the provision of stability and the implementation of change. It is generally important to acknowledge them as having enabling as opposed to limiting roles. Seventh, routines are combined with other routines, and such can urge other routines – a trigger could be made up of aspiration levels. Eighth, routines represent knowledge like tacit knowledge and knowledge in

action. Such embodiment is sensitive to specific levels of interruptions in the routine exercise. Ninth, we may distinguish between operational routines and strategic or dynamic routines which guide organizational search and change. In this latter respect, there are clear links with the literature on dynamic capabilities.

Characteristics of Routines

Developing an argument on the basis of the above contention that routines are recurrent interaction patterns, literature characterizes routines as repetitive by virtue of recurrence, persistent, leading to predictability, interaction patterns having a collective nature, interplay of collective patterns constituting a whole out of different routines parts. In other words, routines in organisations constitute collective action that integrates distributed action elements. Routines are also self-actuating and they do not need voluntary deliberation and owing to this characteristic, problems are removed from the conscious influence and cognitive resources are freed up for deliberative action when dealt with routines. Moreover, routines are processual phenomenon, they are context dependent, specific and they can only be transferred to a limited level. In this regard, successful routines application depends on the context specificities where there exist complementarities between routines and context.

It is possible to alleviate specificity but not to neutralize it through standardisation. Routines can be transferred to various contexts in a limited manner indicating that they can reflect local optimum solutions but not global best solutions. History shapes routines and they are dependent on the path. Such path-dependent routines clarifies their involvement with mutually dependent forces that positively or negatively provides feedback between them and has no pre-defined ending to which they meet. To this end, changes will most probably be incremental and developed on prior state and hence, being an insider to the routine history makes a difference in comprehending its present form.

Metaphors about Routines

Regardless of the several variant interpretations and conceptualizations of routines taking place, some generic attributes have been attached to the role which routines possess. Routines have been described to act as central repositories of organizational knowledge and to provide the building blocks of organizational capabilities and change 1. Cyert and March used a metaphor of routines as performance programs, and Nelson and Winter portray routines as habits or skills of an organization 2,3. Routines allow certain type of performance to be repeated, however as they adapt to the changes provided by their environment, routines rather paradoxically are seen to provide both stability and change inside organizations 4. Another analogy often quoted to describe routines as facilitating firm actions is “routines as genes”

At the organizational level of analysis, Nelson and Winter introduced a wide variety of metaphors for routines: routines as genes, routines as memory, routines as truce, routines as targets for control, replication, and imitation 3. Each of these metaphors portrays a routine as a kind of thing

Another view of routines is as a set of possibilities that can be described as grammars 5. The grammatical approach attempts to look at the inside of routines. Selecting and performing a routine is

an effortful accomplishment. It is not a single pattern but, rather, a set of possible patterns from which organizational members enact particular performances that are functionally similar but not necessarily the same. Routines can be described by a grammar that explains the regular patterns in a variety of behaviors. In the same way as English grammar allows speakers to produce a variety of sentences; an organizational routine allows members to produce a variety of performances. Thus a routinized activity is not mindless or automatic, but rather an effortful accomplishment within certain boundaries.

CONTINGENCY THEORY

A contingency theory is an organizational theory that claims that there is no best way to organize a corporation, to lead a company, or to make decisions. Instead, the optimal course of action is contingent (dependent) upon the internal and external situation. A contingent leader effectively applies their own style of leadership to the right situation.

The contingency approach to leadership was influenced by two earlier research programs endeavoring to pinpoint effective leadership behavior. During the 1950s, researchers at Ohio State University administered extensive questionnaires measuring a range of possible leader behaviors in various organizational contexts. Although multiple sets of leadership behaviors were originally identified based on these questionnaires, two types of behaviors proved to be especially typical of effective leaders: (1) consideration leader behaviors that include building good rapport and interpersonal relationships and showing support and concern for subordinates and (2) initiating structure leader behaviors that provided structure (e.g., role assignment, planning, scheduling) to ensure task completion and goal attainment.

About the same time, investigators from the University of Michigan's Survey Research Center conducted interviews and distributed questionnaires in organizations and collected measures of group productivity to assess effective leadership behaviors. The leadership behavior categories that emerged from the University of Chicago were similar to the consideration and initiating structure behaviors identified by the Ohio State studies. The University of Michigan investigators, however, termed these leadership behaviors *relation-oriented behavior* and *task-oriented behavior*. This line of research was later extended by Robert Blake and Jane Mouton in 1964 to suggest that effective leaders score high on both these behaviors.

They suggested that previous theories such as Weber's bureaucracy and Taylor's scientific management had failed because they neglected that management style and organizational structure were influenced by various aspects of the environment: the contingency factors. There could not be "one best way" for leadership or organization.

Historically, contingency theory has sought to formulate broad generalizations about the formal structures that are typically associated with or best fit the use of different technologies. The perspective originated with the work of Joan Woodward, who argued that technologies directly determine differences in such organizational attributes as span of control, centralization of authority, and the formalization of rules and procedures.

Contingency Approaches

Gareth Morgan in his book *Images of Organization* describes the main ideas underlying contingency in a nutshell:

- Organizations are open systems that need careful management to satisfy and balance internal needs and to adapt to environmental circumstances.
- There is not one best way of organizing. The appropriate form depends on the kind of task or environment one is dealing with.
- Management must be concerned, above all else, with achieving alignments and good fits.
- Different types or species of organizations are needed in different types of environments.

Fred Fiedler's contingency model focused on a contingency model of leadership in organizations. This model contains the relationship between leadership style and the favorable-ness of the situation. Fiedler developed a metric to measure a leader's style called the Least Preferred Co-worker. The test consists of 16-22 items they are to rate on a scale of one to eight as they think of a co-worker they had the most difficulty working with. A high score indicates the test taker is relational in style and a low score indicates the test taker is more task orientated in style. Situational favorable-ness was described by Fiedler in terms of three empirically derived dimensions:

- Leader-member relationship: High if the leader is generally accepted and respected by followers.
- Degree of task structure: High if the task is very structured.
- Leader's position power: High if a great deal of authority and power are formally attributed to the leader's position.

Situations are favorable to the leader if all three of these dimensions are high.

William Richard Scott describes contingency theory in the following manner: "The best way to organize depends on the nature of the environment to which the organization must relate". The work of other researchers including Paul R. Lawrence, Jay Lorsch, and James D. Thompson complements this statement. They are more interested in the impact of contingency factors on organizational structure. Their structural contingency theory was the dominant paradigm of organizational structural theories for most of the 1970s. A major empirical test was furnished by Johannes M Pennings who examined the interaction between environmental uncertainty, organization structure and various aspects of performance. Pennings carried out an empirical study on a sample of retail brokerage offices in which aspects of their market environment such as competitiveness, change and munificence, versus organizational arrangements such as decision making templates, power distribution were juxtaposed for possible implications for performance. While structural attributes of offices strongly impacted performance, the evidence for "contingency" was less pronounced.

It can be concluded that there is 'no one best way' or approach in management or doing things, different situation calls for different approach to handle, manage, and solve the arising issue concerned. Management and organization is an 'Open system', which embrace anomalies or challenges every now and then, which requires 'adaptable' and 'situational' solution in order to overcome or solve the problem or issue concerned. Other situational or contingency factors are 'changes in

customer demand for goods and services, change in government policy or law, change in environment or climate change, and so forth.

EQUITY THEORY

Equity theory focuses on determining whether the distribution of resources is fair to both relational partners. Equity is measured by comparing the ratio of contributions (or costs) and benefits (or rewards) for each person. Considered one of the justice theories, equity theory was first developed in the 1960s by J. Stacy Adams, a workplace and behavioral psychologist, who asserted that employees seek to maintain equity between the inputs that they bring to a job and the outcomes that they receive from it against the perceived inputs and outcomes of others. According to Equity Theory, in order to maximize individuals' rewards, we tend to create systems where resources can be fairly divided amongst members of a group. Inequalities in relationships will cause those within it to be unhappy to a degree proportional to the amount of inequality. The belief is that people value fair treatment which causes them to be motivated to keep the fairness maintained within the relationships of their co-workers and the organization. The structure of equity in the workplace is based on the ratio of inputs to outcomes. Inputs are the contributions made by the employee for the organization.

Equity theory focuses on determining whether the distribution of resources is fair to both relational partners. It proposes that individuals who perceive themselves as either under-rewarded or over-rewarded will experience distress, and that this distress leads to efforts to restore equity within the relationship. It focuses on determining whether the distribution of resources is fair to both relational partners. Equity is measured by comparing the ratios of contributions and benefits of each person within the relationship. Partners do not have to receive equal benefits (such as receiving the same amount of love, care, and financial security) or make equal contributions (such as investing the same amount of effort, time, and financial resources), as long as the ratio between these benefits and contributions is similar. Much like other prevalent theories of motivation, such as Maslow's hierarchy of needs, equity theory acknowledges that subtle and variable individual factors affect each person's assessment and perception of their relationship with their relational partners. According to Adams, anger is induced by underpayment inequity and guilt is induced with overpayment equity. Payment whether hourly wage or salary, is the main concern and therefore the cause of equity or inequity in most cases.

In any position, an employee wants to feel that their contributions and work performance are being rewarded with their pay. If an employee feels underpaid then it will result in the employee feeling hostile towards the organization and perhaps their co-workers, which may result in the employee not performing well at work anymore. It is the subtle variables that also play an important role in the feeling of equity. Just the idea of recognition for the job performance and the mere act of thanking the employee will cause a feeling of satisfaction and therefore help the employee feel worthwhile and have better outcomes.

Definition of Equity

Individuals compare their job inputs and outcomes with those of others and then respond to eliminate any perceived inequities.

Inputs and Outcomes

Inputs

Inputs are defined as each participant's contributions to the relational exchange and are viewed as entitling him/her to rewards or costs. The inputs that a participant contributes to a relationship can be either assets – entitling him/her to rewards – or liabilities - entitling him/her to costs. The entitlement to rewards or costs ascribed to each input vary depending on the relational setting. In industrial settings, assets such as capital and manual labor are seen as “relevant inputs” – inputs that legitimately entitle the contributor to rewards. In social settings, assets such as physical beauty and kindness are generally seen as assets entitling the possessor to social rewards. Individual traits such as boorishness and cruelty are seen as liabilities entitling the possessor to costs. Inputs typically include any of the following:

- Time
- Education
- Experience
- Effort
- Loyalty
- Hard Work
- Commitment
- Ability
- Adaptability
- Flexibility
- Tolerance
- Determination
- Enthusiasm
- Personal sacrifice
- Trust in superiors
- Support from co-workers and colleagues
- Skill



Outcomes

Outputs are defined as the positive and negative consequences that an individual perceives a participant has incurred as a consequence of his/her relationship with another. When the ratio of inputs to outputs is close, then the employee should have much satisfaction with their job. Outputs can be both tangible and intangible. Typical outputs include any of the following:

- Job security
- Salary
- Employee benefit
- Expenses
- Recognition
- Reputation
- Responsibility
- Sense of achievement
- Praise
- Thanks
- Stimuli

Propositions

Equity theory consists of four propositions:

Self-inside

Individuals seek to maximize their outcomes (where outcomes are defined as rewards minus costs).

Self-outside

Groups can maximize collective rewards by developing accepted systems for equitably apportioning rewards and costs among members. Systems of equity will evolve within groups, and members will attempt to induce other members to accept and adhere to these systems. The only way groups can induce members to equitably behave is by making it more profitable to behave equitably than inequitably. Thus, groups will generally reward members who treat others equitably and generally punish (increase the cost for) members who treat others inequitably.

Others-inside

When individuals find themselves participating in inequitable relationships, they become distressed. The more inequitable the relationship, the more distress individuals feel. According to equity theory, both the person who gets “too much” and the person who gets “too little” feel distressed. The person who gets too much may feel guilt or shame. The person who gets too little may feel angry or humiliated.

Other-outside

Individuals who perceive that they are in an inequitable relationship attempt to eliminate their distress by restoring equity. The greater the inequity, the more distress people feel and the more they try to restore equity.

In Business

Equity theory has been widely applied to business settings by industrial psychologists to describe the relationship between an employee's motivation and his or her perception of equitable or inequitable treatment. In a business setting, the relevant dyadic relationship is that between employee and employer. As in marriage and other contractual dyadic relationships, equity theory assumes that employees seek to maintain an equitable ratio between the inputs they bring to the relationship and the outcomes they receive from it. Equity theory in business, however, introduces the concept of social comparison, whereby employees evaluate their own input/output ratios based on their comparison with the input/outcome ratios of other employees. Inputs in this context include the employee's time, expertise, qualifications, experience, intangible personal qualities such as drive and ambition, and interpersonal skills. Outcomes include monetary compensation, perquisites ("perks"), benefits, and flexible work arrangements. Employees who perceive inequity will seek to reduce it, either by distorting inputs and/or outcomes in their own minds ("cognitive distortion"), directly altering inputs and/or outcomes, or leaving the organization. These perceptions of inequity are perceptions of organizational justice, or more specifically, injustice. Subsequently, the theory has wide-reaching implications for employee morale, efficiency, productivity, and turnover.

Assumptions of Equity Theory Applied to Business

The three primary assumptions applied to most business applications of equity theory can be summarized as follows:

- Employees expect a fair return for what they contribute to their jobs, a concept referred to as the "equity norm".
- Employees determine what their equitable return should be after comparing their inputs and outcomes with those of their coworkers. This concept is referred to as "social comparison".
- Employees who perceive themselves as being in an inequitable situation will seek to reduce the inequity either by distorting inputs and/or outcomes in their own minds ("cognitive distortion"), by directly altering inputs and/or outputs, or by leaving the organization.

Implications for Managers

Equity theory has several implications for business managers:

- People measure the totals of their inputs and outcomes. This means a working mother may accept lower monetary compensation in return for more flexible working hours.
- Different employees ascribe personal values to inputs and outcomes. Thus, two employees of equal experience and qualification performing the same work for the same pay may have quite different perceptions of the fairness of the deal.
- Employees are able to adjust for purchasing power and local market conditions. Thus a teacher from Alberta may accept lower compensation than his colleague in Toronto if his cost of living is different, while a teacher in a remote African village may accept a totally different pay structure.

- Although it may be acceptable for more senior staff to receive higher compensation, there are limits to the balance of the scales of equity and employees can find excessive executive pay demotivating.
- Staff perceptions of inputs and outcomes of themselves and others may be incorrect, and perceptions need to be managed effectively.
- An employee who believes he is overcompensated may increase his effort. However he may also adjust the values that he ascribes to his own personal inputs. It may be that he or she internalizes a sense of superiority and actually decrease his efforts.

Criticisms and Related Theories

Criticism has been directed toward both the assumptions and practical application of equity theory. Scholars have questioned the simplicity of the model, arguing that a number of demographic and psychological variables affect people's perceptions of fairness and interactions with others. Furthermore, much of the research supporting the basic propositions of equity theory has been conducted in laboratory settings, and thus has questionable applicability to real-world situations. Critics have also argued that people might perceive equity/inequity not only in terms of the specific inputs and outcomes of a relationship, but also in terms of the overarching system that determines those inputs and outputs. Thus, in a business setting, one might feel that his or her compensation is equitable to other employees', but one might view the entire compensation *system* as unfair.

Researchers have offered numerous magnifying and competing perspectives:

Equity Sensitivity Construct

The Equity Sensitivity Construct proposes that individuals have different preferences for equity and thus react in different ways to perceived equity and inequity. Preferences can be expressed on a continuum from preferences for extreme under-benefit to preferences for extreme over-benefit. Three archetypal classes are as follows:

- Benevolents: Those who prefer their own input/outcome ratios to be less than those of their relational partner. In other words, the benevolent prefers to be under-benefitted.
- Equity Sensitives: Those who prefer their own input/outcome ratios to be equal to those of their relational partner.
- Entitleds: Those who prefer their own input/outcome ratios to exceed those of their relational partner. In other words, the entitled prefers to be over-benefitted.

Fairness Model

The Fairness Model proposes an alternative measure of equity/inequity to the relational partner or "comparison person" of standard equity theory. According to the Fairness Model, an individual judges the overall "fairness" of a relationship by comparing their inputs and outcomes with an internally derived standard. The Fairness Model thus allows for the perceived equity/inequity of the overarching system to be incorporated into individuals' evaluations of their relationships.

Game Theory

Behavioral economics has recently started to apply game theory to the study of equity theory. For instance, Gill and Stone analyze how considerations of equity influence behavior in strategic settings in which people compete and develop the implications for optimal labor contracts.

EXPECTANCY THEORY

Expectancy theory (or expectancy theory of motivation) proposes that an individual will behave or act in a certain way because they are motivated to select a specific behavior over others due to what they expect the result of that selected behavior will be. In essence, the motivation of the behavior selection is determined by the desirability of the outcome. However, at the core of the theory is the cognitive process of how an individual processes the different motivational elements. This is done before making the ultimate choice. The outcome is not the sole determining factor in making the decision of how to behave.

Expectancy theory is about the mental processes regarding choice, or choosing. It explains the processes that an individual undergoes to make choices. In the study of organizational behavior, expectancy theory is a motivation theory first proposed by Victor Vroom of the Yale School of Management.

“This theory emphasizes the needs for organizations to relate rewards directly to performance and to ensure that the rewards provided are those rewards deserved and wanted by the recipients.”

Victor H. Vroom defines motivation as a process governing choices among alternative forms of voluntary activities, a process controlled by the individual. The individual makes choices based on estimates of how well the expected results of a given behavior are going to match up with or eventually lead to the desired results. Motivation is a product of the individual's expectancy that a certain effort will lead to the intended performance, the instrumentality of this performance to achieving a certain result, and the desirability of this result for the individual, known as *valence*.

Key Elements

The expectancy theory of motivation explains the behavioral process of why individuals choose one behavioral option over the other. This theory explains that individuals can be motivated towards goals if they believe that there is a positive correlation between efforts and performance, the outcome of a favorable performance will result in a desirable reward, a reward from a performance will satisfy an important need, and/or the outcome satisfies their need enough to make the effort worthwhile.

Vroom introduced three variables within the expectancy theory which are valence (V), expectancy (E) and instrumentality (I). The three elements are important behind choosing one element over another because they are clearly defined: effort-performance expectancy (E>P expectancy), performance-outcome expectancy (P>O expectancy).

Expectancy theory has three components: expectancy, instrumentality, and valence.

1. Expectancy: effort → performance (E→P)

2. Instrumentality: performance \rightarrow outcome (P \rightarrow O)
3. Valence: V(R) outcome \rightarrow reward

Expectancy: Effort \rightarrow Performance (E \rightarrow P)

Expectancy is the belief that one's effort (E) will result in attainment of desired performance (P) goals. Usually based on an individual's past experience, self-confidence (self efficacy), and the perceived difficulty of the performance standard or goal.

1. Self efficacy: The person's belief about their ability to successfully perform a particular behavior. The individual will assess whether they have the required skills or knowledge desired to achieve their goals.
2. Goal difficulty: When goals are set too high or performance expectations that are made too difficult. This will most likely lead to low expectancy. This occurs when the individual believes that their desired results are unattainable.
3. Perceived control: Individuals must believe that they have some degree of control over the expected outcome. When individuals perceive that the outcome is beyond their ability to influence, expectancy, and thus motivation, is low.

Instrumentality: Performance \rightarrow Outcome (P \rightarrow O)

Instrumentality is the belief that a person will receive a reward if the performance expectation is met. This reward may present itself in the form of a pay increase, promotion, recognition or sense of accomplishment. Instrumentality is low when the reward is the same for all performances given.

Another way that instrumental outcomes work is commissions. With commissions performance is directly correlated with outcome (how much money is made). If performance is high and many goods are sold, the more money the person will make.

Factors associated with the individual's instrumentality for outcomes are trust, control and policies:

1. Trusting the people who will decide who gets what outcome, based on the performance.
2. Control of how the decision is made, of who gets what outcome.
3. Policies understanding of the correlation between performance and outcomes.

Valence V(R)

Valence is the value an individual places on the rewards of an outcome, which is based on their needs, goals, values and sources of motivation. Influential factors include one's values, needs, goals, preferences and sources that strengthen their motivation for a particular outcome.

Valence is characterized by the extent to which a person values a given outcome or reward. This is not an actual level of satisfaction rather the expected satisfaction of a particular outcome.

The valence refers to the value the individual personally places on the rewards. -1 \rightarrow 0 \rightarrow +1

-1= avoiding the outcome 0 = indifferent to the outcome +1 = welcomes the outcome

In order for the valence to be positive, the person must prefer attaining the outcome to not attaining it.

Valence is one behavioral alternative, where the decision is measured on the value of the reward. The model below shows the direction of motivation, when behavior is energized:

Motivational Force (MF) = Expectancy \times Instrumentality \times Valence

When deciding among behavioral options, individuals select the option with the greatest amount of motivational force (MF).

Expectancy and instrumentality are attitudes (cognitions), whereas valence is rooted in an individual's value system.

Examples of valued outcomes in the workplace include, pay increases and bonuses, promotions, time off, new assignments, recognition, etc. If management can effectively determine what their employee values, this will allow the manager to motivate employees in order to get the highest result and effectiveness out of the workplace.

Research

Management

Victor Vroom's expectancy theory is one such management theory focused on motivation. According to Holdford and Lovelace-Elmore, Vroom asserts, "intensity of work effort depends on the perception that an individual's effort will result in a desired outcome".

In order to enhance the performance-outcome tie, managers should use systems that tie rewards very closely to performance. Managers also need to ensure that the rewards provided are deserved and wanted by the recipients. In order to improve the effort-performance tie, managers should engage in training to improve their capabilities and improve their belief that added effort will in fact lead to better performance.

- Emphasizes self-interest in the alignment of rewards with employee's wants.
- Emphasizes the connections among expected behaviors, rewards and organizational goals.

Expectancy Theory, though well known in work motivation literature, is not as familiar to scholars or practitioners outside that field.

Computer Users

Lori Baker-Eveleth and Robert Stone, University of Idaho in 2008 conducted an empirical study on 154 faculty members' reactions to the use of new software. It was found that ease of system use affects both self-efficacy (self-confidence) and anticipated usefulness. These in turn influenced the decision, or anticipated decision, to use the software.

Self-efficacy and outcome expectancy impact a person's affect and behavior separately:

- Self-efficacy is the belief that a person possesses the skills and abilities to successfully accomplish something.

- Outcome expectancy is the belief that when a person accomplishes the task, a desired outcome is attained.

Self-efficacy has a direct impact on outcome expectancy and has a larger effect than outcome expectancy. Employees will accept technology if they believe the technology is a benefit to them. If an employee is mandated to use the technology, the employees will use it but may feel it is not useful. On the other hand, when an employee is not mandated, the employee may be influenced by these other factors (self-confidence and confidence in outcome) that it should be used.

The self-efficacy theory can be applied to predicting and perceiving an employee's belief for computer use. This theory associates an individual's cognitive state with effective behavioral outcomes.

Other constructs of the self-efficacy theory that impact attitudes and intentions to perform are:

- Past experience or mastery with the task;
- Vicarious experience performing the task;
- Emotional or physiological arousal regarding the task;
- And social persuasion to perform the task.

Models of Teacher Expectancy Effects

Jere Brophy and Thomas Good provided a comprehensive model of how teacher expectations could influence children's achievement. Their model posits that teachers' expectations indirectly affect children's achievement: "teacher expectations could also affect student outcomes indirectly by leading to differential teacher treatment of students that would condition student attitudes, expectations, and behavior". The model includes the following sequence. Teachers form differential expectations for students early in the school year. Based on these expectations, they behave differently toward different students, and as a result of these behaviors the students begin to understand what the teacher expects from them. If students accept the teachers' expectations and behavior toward them then they will be more likely to act in ways that confirm the teacher's initial expectations. This process will ultimately affect student achievement so that teachers' initial expectancies are confirmed.

In discussing work related to this model, Brophy made several important observations about teacher expectation effects. First and foremost, he argued that most of the beliefs teachers hold about student are accurate, and so their expectations usually reflect students' actual performance levels. As a result, Brophy contended that self-fulfilling prophecy effects have relatively weak effects on student achievement, changing achievement 5% to 10%, although he did note that such effects usually are negative expectation effects rather than positive effects. Second, he pointed out that various situational and individual difference factors influence the extent to which teacher expectations will act as self-fulfilling prophecies. For instance, Brophy stated that expectancy effects may be larger in the early elementary grades, because teachers have more one-on-one interactions with students then, as they attempt to socialize children into the student role. In the upper elementary grades more whole-class teaching methods are used, which may minimize expectation effects. Some evidence supports this claim; expectancy

effects in Rosenthal and Jacobson's study were strongest during the earlier grades. Raudenbush's meta-analysis of findings from different teacher expectancy studies in which expectancies were induced by giving teachers artificial information about children's intelligence showed that expectancy effects were stronger in Grades 1 and 2 than in Grades 3 through Grade 6, especially when the information was given to teachers during the first few weeks of school. These findings are particularly relevant because they show a form of the expectancy theory: how teachers have certain expectations of students, and how they treat the students differently because of those expectations.

Criticisms

Critics of the expectancy model include Graen, Lawler, Lawler and Porter, and Porter and Lawler. Their criticisms of the theory were based upon the expectancy model being too simplistic in nature; these critics started making adjustments to Vroom's model.

Edward Lawler claims that the simplicity of expectancy theory is deceptive because it assumes that if an employer makes a reward (such as a financial bonus or promotion) enticing enough, employees will increase their productivity to obtain the reward. However, this only works if the employees believe the reward is beneficial to their immediate needs. For example, a \$2 increase in salary may not be desirable to an employee if the increase pushes her into a tax bracket in which she believes her net pay is actually reduced (a belief that is typically fallacious, especially in the United States). Similarly, a promotion that provides higher status but requires longer hours may be a deterrent to an employee who values evening and weekend time with their children.

As an additional example, if a person in the armed forces or security agencies is promoted, there is the possibility that he or she will be transferred to other locations. In such cases, if the new posting is far from their permanent residence where their family resides, they will not be motivated by such promotions and the results will backfire. As such, the reward is valued negatively to the person receiving it.

Lawler's new proposal for expectancy theory does not contradict Vroom's theory. Lawler argues that since there have been a variety of developments of expectancy theory since its creation in 1964 that the expectancy model needs to be updated. Lawler's new model is based on four claims. First, whenever there are a number of outcomes, individuals will usually have a preference among those outcomes. Second, there is a belief on the part of that individual that their action(s) will achieve the outcome they desire. Third, any desired outcome was generated by the individual's behavior. Fourth and finally, the actions generated by the individual were generated by the preferred outcome and expectation of the individual.

Instead of simply looking at expectancy and instrumentality, W.F. Maloney and J.M. McFillen found that expectancy theory could explain the motivation of those individuals who were employed by the construction industry. For instance, they used worker expectancy and worker instrumentality. Worker expectancy is when supervisors create an equal match between the worker and their job. Worker instrumentality is when an employee knows that any increase in their performance leads to achieving their goal.

TWO-FACTOR THEORY

The two-factor theory (also known as Herzberg's motivation-hygiene theory and dual-factor theory) states that there are certain factors in the workplace that cause job satisfaction while a separate set of factors cause dissatisfaction, all of which act independently of each other. It was developed by psychologist Frederick Herzberg.

Fundamentals

Feelings, attitudes and their connection with industrial mental health are related to Abraham Maslow's theory of motivation. His findings have had a considerable theoretical, as well as a practical, influence on attitudes toward administration. According to Herzberg, individuals are not content with the satisfaction of lower-order needs at work; for example, those needs associated with minimum salary levels or safe and pleasant working conditions. Rather, individuals look for the gratification of higher-level psychological needs having to do with achievement, recognition, responsibility, advancement, and the nature of the work itself. This appears to parallel Maslow's theory of a need hierarchy. However, Herzberg added a new dimension to this theory by proposing a two-factor model of motivation, based on the notion that the presence of one set of job characteristics or incentives leads to worker *satisfaction* at work, while another and separate set of job characteristics leads to *dissatisfaction* at work. Thus, satisfaction and dissatisfaction are not on a continuum with one increasing as the other diminishes, but are independent phenomena. This theory suggests that to improve job attitudes and productivity, administrators must recognize and attend to both sets of characteristics and not assume that an increase in satisfaction leads to decrease in dissatisfaction.

The two-factor theory developed from data collected by Herzberg from interviews with 203 engineers and accountants in the Pittsburgh area, chosen because of their professions' growing importance in the business world.

From analyzing these interviews, he found that job characteristics related to what an individual *does* — that is, to the nature of the work one performs — apparently have the capacity to gratify such needs as achievement, competency, status, personal worth, and self-realization, thus making him happy and satisfied. However, the *absence* of such gratifying job characteristics does not appear to lead to unhappiness and dissatisfaction. Instead, dissatisfaction results from unfavorable assessments of such job-related factors as company policies, supervision, technical problems, salary, interpersonal relations on the job, and working conditions. Thus, if management wishes to increase satisfaction on the job, it should be concerned with the nature of the work itself — the opportunities it presents for gaining status, assuming responsibility, and for achieving self-realization. If, on the other hand, management wishes to reduce dissatisfaction, then it must focus on the workplace environment — policies, procedures, supervision, and working conditions. If management is equally concerned with both, then managers must give attention to both sets of job factors.

Two-factor theory distinguishes between:

- Motivators (e.g. challenging work, recognition for one's achievement, responsibility, opportunity to do something meaningful, involvement in decision making, sense of

importance to an organization) that give positive satisfaction, arising from intrinsic conditions of the job itself, such as recognition, achievement, or personal growth.

- Hygiene factors (e.g. status, job security, salary, fringe benefits, work conditions, good pay, paid insurance, vacations) that do not give positive satisfaction or lead to higher motivation, though dissatisfaction results from their absence. The term “hygiene” is used in the sense that these are maintenance factors. These are extrinsic to the work itself, and include aspects such as company policies, supervisory practices, or wages/salary. Herzberg often referred to hygiene factors as “KITA” factors, which is an acronym for “kick in the ass”, the process of providing incentives or threat of punishment to make someone do something.

According to Herzberg, hygiene factors are what causes dissatisfaction among employees in the workplace. In order to remove dissatisfaction in a work environment, these hygiene factors must be eliminated. There are several ways that this can be done but some of the most important ways to decrease dissatisfaction would be to pay reasonable wages, ensure employees job security, and to create a positive culture in the workplace. Herzberg considered the following hygiene factors from highest to lowest importance: company policy, supervision, employee’s relationship with their boss, work conditions, salary, and relationships with peers. Eliminating dissatisfaction is only one half of the task of the two factor theory. The other half would be to increase satisfaction in the workplace. This can be done by improving on motivating factors. Motivation factors are needed to motivate an employee to higher performance. Herzberg also further classified our actions and how and why we do them, for example, if you perform a work related action because you *have* to then that is classed as “movement”, but if you perform a work related action because you *want* to then that is classed as “motivation”. Herzberg thought it was important to eliminate job dissatisfaction before going onto creating conditions for job satisfaction because it would work against each other.

According to the Two-Factor Theory, there are four possible combinations:

1. High Hygiene + High Motivation: The ideal situation where employees are highly motivated and have few complaints.
2. High Hygiene + Low Motivation: Employees have few complaints but are not highly motivated. The job is viewed as a paycheck.
3. Low Hygiene + High Motivation: Employees are motivated but have a lot of complaints. A situation where the job is exciting and challenging but salaries and work conditions are not up to par.
4. Low Hygiene + Low Motivation: This is the worst situation where employees are not motivated and have many complaints.

Unlike Maslow, who offered little data to support his ideas, Herzberg and others have presented considerable empirical evidence to confirm the motivation-hygiene theory, although their work has been criticized on methodological grounds.

Workarounds

Herzberg’s theory concentrates on the importance of internal job factors as motivating forces for employees. He designed it to increase job enrichment for employees. Herzberg wanted to create

the opportunity for employees to take part in planning, performing, and evaluating their work. He suggested to do this by:

- Removing some of the control management has over employees and increasing the accountability and responsibility they have over their work, which would in return increase employee autonomy.
- Creating complete and natural work units where it is possible. An example would be allowing employees to create a whole unit or section instead of only allowing them to create part of it.
- Providing regular and continuous feedback on productivity and job performance directly to employees instead of through supervisors.
- Encouraging employees to take on new and challenging tasks and becoming experts at a task.

Validity and Criticisms

In 1968 Herzberg stated that his two-factor theory study had already been replicated 16 times in a wide variety of populations including some in Communist countries, and corroborated with studies using different procedures that agreed with his original findings regarding intrinsic employee motivation making it one of the most widely replicated studies on job attitudes.

One such replication was done by George Hines and published in December 1973 in the *Journal of Applied Psychology*. Hines tested Herzberg's two-factor motivation theory in New Zealand, using ratings of 12 job factors and overall job satisfaction obtained from 218 middle managers and 196 salaried employees. Contrary to dichotomous motivator-hygiene predictions, supervision and interpersonal relationships were ranked highly by those with high job satisfaction, and there was strong agreement between satisfied managers and salaried employees in the relative importance of job factors. Findings are interpreted in terms of social and employment conditions in New Zealand.

While the Motivator-Hygiene concept is still well regarded, satisfaction and dissatisfaction are generally no longer considered to exist on separate scales. The separation of satisfaction and dissatisfaction has been shown to be an artifact of the Critical Incident Technique (CIT) used by Herzberg to record events. Furthermore, it has been noted the theory does not allow for individual differences, such as particular personality traits, which would affect individuals' unique responses to motivating or hygiene factors.

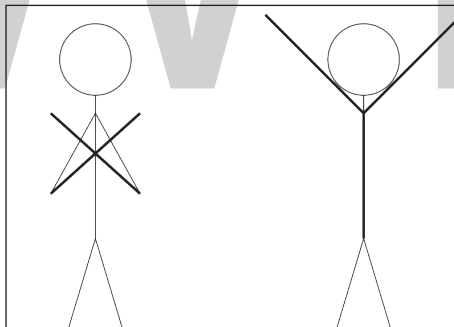
A number of behavioral scientists have pointed to inadequacies in the need for hierarchy and motivation-hygiene theories. The most basic is the criticism that both of these theories contain the relatively explicit assumption that happy and satisfied workers produce more, even though this might not be the case. For example, if playing a better game of golf is the means chosen to satisfy one's need for recognition, then one will find ways to play and think about golf more often, perhaps resulting in a lower output on the job due to a lower amount of focus. However, despite the effect on output, employees' job satisfaction (for example, measured by Herzberg's theory) is important for retention, which is critical in professions that experience shortages.

Another problem however is that these and other statistical theories are concerned with explaining “average” behavior, despite considerable differences between individuals that may impact one’s motivational factors. For instance, in their pursuit of status a person might take a balanced view and strive to pursue several behavioral paths in an effort to achieve a combination of personal status objectives.

In other words, an individual’s expectation or estimated probability that a given behavior will bring a valued outcome determines their choice of means and the effort they will devote to these means. In effect, this diagram of expectancy depicts an employee asking themselves the question posed by one investigator, “How much payoff is there for me toward attaining a personal goal while expending so much effort toward the achievement of an assigned organizational objective?” The expectancy theory by Victor Vroom also provides a framework for motivation based on expectations.

This approach to the study and understanding of motivation would appear to have certain conceptual advantages over other theories: First, unlike Maslow’s and Herzberg’s theories, it is capable of handling individual differences. Second, its focus is toward the present and the future, in contrast to drive theory, which emphasizes past learning. Third, it specifically correlates behavior to a goal and thus eliminates the problem of assumed relationships, such as between motivation and performance. Fourth, it relates motivation to ability: $\text{Performance} = \text{Motivation} * \text{Ability}$.

THEORY X AND THEORY Y



Mnemonic device for the two theories: A person refusing to work (“X”) and a person cheering the opportunity to work (“Y”).

Theory X and Theory Y are theories of human work motivation and management. They were created by Douglas McGregor while he was working at the MIT Sloan School of Management in the 1950s, and developed further in the 1960s. McGregor’s work was rooted in motivation theory alongside the works of Abraham Maslow, who created the hierarchy of needs. The two theories proposed by McGregor describe contrasting models of workforce motivation applied by managers in human resource management, organizational behavior, organizational communication and organizational development. Theory X explains the importance of heightened supervision, external rewards, and penalties, while Theory Y highlights the motivating role of job satisfaction and encourages workers to approach tasks without direct supervision. Management use of Theory X

and Theory Y can affect employee motivation and productivity in different ways, and managers may choose to implement strategies from both theories into their practices.

McGregor's Theory X and Theory Y and Maslow's hierarchy of needs are both rooted in motivation theory. Maslow's hierarchy of needs consist of physiological needs (lowest level), safety needs, love needs, esteem needs, and self-actualization (highest level). According to Maslow, a human is motivated by the level they have not yet reached, and self-actualization cannot be met until each of the lower levels has been fulfilled. Assumptions of Theory Y, in relation to Maslow's hierarchy put an emphasis on employee higher level needs, such as esteem needs and self-actualization.

McGregor also believed that self-actualization was the highest level of reward for employees. He theorized that the motivation employees use to reach self-actualization allows them to reach their full potential. This led companies to focus on how their employees were motivated, managed, and led, creating a Theory Y management style which focuses on the drive for individual self – fulfillment. McGregor's perspective places the responsibility for performance on managers as well as subordinates.

Theory X

Theory X is based on assumptions regarding the typical worker. This management style assumes that the typical worker has little ambition, avoids responsibility, and is individual-goal oriented. In general, Theory X style managers believe their employees are less intelligent, lazier, and work solely for a sustainable income. Management believes employees' work is based on their own self-interest. Managers who believe employees operate in this manner are more likely to use rewards or punishments as motivation. Due to these assumptions, Theory X concludes the typical workforce operates more efficiently under a hands-on approach to management. Theory X managers believe all actions should be traceable to the individual responsible. This allows the individual to receive either a direct reward or a reprimand, depending on the outcome's positive or negative nature. This managerial style is more effective when used in a workforce that is not essentially motivated to perform.

According to McGregor, there are two opposing approaches to implementing Theory X: the hard approach and the soft approach. The hard approach depends on close supervision, intimidation, and immediate punishment. This approach can potentially yield a hostile, minimally cooperative workforce that may cause resentment towards management. Managers are always looking for mistakes from employees, because they do not trust their work. Theory X is a "we versus they" approach, meaning it is the management versus the employees.

The soft approach is characterized by leniency and less strict rules in hopes for creating high workplace morale and cooperative employees. Implementing a system that is too soft could result in an entitled, low-output workforce. McGregor believes both ends of the spectrum are too extreme for efficient real-world application. Instead, McGregor feels that an approach located in the middle would be the most effective implementation of Theory X.

Because managers and supervisors are in almost complete control of the work, this produces a more systematic and uniform product or work flow. Theory X can benefit a work place that utilizes an assembly line or manual labor. Using this theory in these types of work conditions allows employees to specialize in particular work areas which in turn allows the company to mass-produce a higher quantity and quality of work.

Theory Y

Theory Y managers assume employees are internally motivated, enjoy their job, and work to better themselves without a direct reward in return. These managers view their employees as one of the most valuable assets to the company, driving the internal workings of the corporation. Employees additionally tend to take full responsibility for their work and do not need close supervision to create a quality product. It is important to note, however, that before an employee carries out their task, they must first obtain the manager's approval. This ensures work stays efficient, productive, and in-line with company standards.

Theory Y managers gravitate towards relating to the worker on a more personal level, as opposed to a more conductive and teaching-based relationship. As a result, Theory Y followers may have a better relationship with their boss, creating a healthier atmosphere in the workplace. In comparison to Theory X, Theory Y incorporates a pseudo-democratic environment to the workforce. This allows the employee to design, construct, and publish their work in a timely manner in co-ordination to their workload and projects.

Although Theory Y encompasses creativity and discussion, it does have limitations. While there is a more personal and individualistic feel, this leaves room for error in terms of consistency and uniformity. The workplace lacks unvarying rules and practices, which could potentially be detrimental to the quality standards of the product and strict guidelines of a given company.

Theory Z

Humanistic psychologist Abraham Maslow, upon whose work McGregor drew for Theories X and Y, went on to propose his own model of workplace motivation, Theory Z. Unlike Theories X and Y, Theory Z recognizes a transcendent dimension to work and worker motivation. An optimal managerial style would help cultivate worker creativity, insight, meaning and moral excellence.

Another innovative management style developed by William Ouchi is also called Theory Z.

Choosing a Management Style

For McGregor, Theory X and Theory Y are not opposite ends of the same continuum, but rather two different continua in themselves. In order to achieve the most efficient production, a combination of both theories may be appropriate. This approach is derived from Fred Fiedler's research over various leadership styles known as the contingency theory. This theory states that managers evaluate the workplace and choose their leadership style based upon both internal and external conditions presented. Managers who choose the Theory X approach have an authoritarian style of management. An organization with this style of management is made up of several levels of supervisors and managers who actively intervene and micromanage the employees. On the contrary, managers who choose the Theory Y approach have a hands-off style of management. An organization with this style of management encourages participation and values individuals' thoughts and goals. However, because there is no optimal way for a manager to choose between adopting either Theory X or Theory Y, it is likely that a manager will need to adopt both approaches depending on the evolving circumstances and levels of internal and external locus of control throughout the workplace.

Military Command and Control

Theory X and Theory Y also have implications in military command and control (C2). Older, strictly hierarchical conceptions of C2, with narrow centralization of decision rights, highly constrained patterns of interaction, and limited information distribution tend to arise from cultural and organizational assumptions compatible with Theory X. On the other hand, more modern, network-centric, and decentralized concepts of C2, that rely on individual initiative and self-synchronization, tend to arise more from a “Theory Y” philosophy. Mission Command, for example, is a command philosophy to which many modern military establishments aspire, and which involves individual judgment and action within the overall framework of the commander’s intent. Its assumptions about the value of individual initiative make it more a Theory-Y than a Theory X philosophy.

RESOURCE DEPENDENCE THEORY

Resource dependency theory is the study of the impact of resource acquisition on organizational behaviour.

Resource dependency theory is based on the principle that an organization, such as a business firm, must engage in transactions with other actors and organizations in its environment in order to acquire resources. Although such transactions may be advantageous, they may also create dependencies that are not. Resources that the organization needs may be scarce, not always readily obtainable, or under the control of uncooperative actors. The resulting unequal exchanges generate differences in power, authority, and access to further resources. To avoid such dependencies, organizations develop strategies (as well as internal structures) designed to enhance their bargaining position in resource-related transactions. Such strategies include taking political action, increasing the organization’s scale of production, diversifying, and developing links to other organizations. Strategies such as diversifying product lines may lessen a firm’s dependence on other businesses and improve its power and leverage.

Companies typically adjust their business strategies to adapt to changes in power relationships with other companies. One of the assumptions of resource dependency theory is that uncertainty clouds an organization’s control of resources and makes its choice of dependence-lessening strategies imperative. As uncertainty and dependencies increase, the need for links to other organizations also increases. For example, declining profits may lead to expanded business activity through diversification and strategic alliances with other companies.

Research using resource dependency theory has sought to observe organizational adaptations to dependencies. One adaptation consists of aligning internal organizational elements with environmental pressures. Organizations also adapt by attempting to alter their environments. Those strategies contrast sharply with the classic conception of organizations, which treat firms as closed systems. Closed-systems frameworks hold that rational use of resources, personal motivation, and individual capabilities determine organizational success and that other actors in the environment figure minimally. Open-systems frameworks, on the other hand, stress the impact of the environment, which consists of other organizations, institutions, the professions, and the state. According to the open-systems perspective, an organization will be effective to the extent that it recognizes changes in its environment and adjusts itself to those contingencies.

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WWT

Elements of Organizational Behavior

3

CHAPTER

Organization development, organizational culture, organizational environment and organization climate, employee motivation stress, organizational expedience, leadership skills, etc. are some of the elements of organizational behavior. This chapter discusses these elements of organizational behavior in detail.

PERSONALITY

Behavior involves a complex set of interactions of the person and the situation. Events in the surrounding environment (including presence and behaviour of others) strongly influence the way people behave at any particular time; yet people always bring something of their own to the situation. This 'something', which is unique is what is personality.

A well-known personality theorist Salvatore Maddi proposed the following definition of personality: "Personality is a stable set of characteristics and tendencies that determine those commonalities and differences in the psychological behavior (thoughts, feelings and actions) of people that have continuity in time and that may not be easily understood as the sole result of the social and biological pressures of the moment."

This definition contains three important ideas.

First, the definition does not limit the influence of personality only to certain behaviors, certain situations or certain people. Rather, personality theory is a general theory of behaviour – an attempt to understand or describe all behaviours all the time.

Second, the phrase "commonalities and differences" suggests an important aspect of human beings. In certain respects, every person is like:

- All other people;
- Some other people; and
- No other person.

This each employee in an organization is unique and may or may not respond as others do in a particular situation. This complexity makes managing and working with people extremely challenging. Therefore, to understand, predict and control behaviour, it is important to study personality.

Finally, Maddi's definition refers to personality as being 'stable' and having continuity in time. If your entire personality could change suddenly and dramatically, your family and friends would

meet a stranger. Personality development occurs to a certain extent throughout life, but the greatest changes occur in early childhood.

Determinants of Personality

The major determinants of personality of an individual can be studied under four broad headings:

- Biological
- Cultural
- Familial
- Situation

Biological Factors

Biological factors may be studied under three heads:

- The heredity
- The brain
- Physical features

Heredity

The relative effects of heredity comprise an extremely old argument in personality theory. Certain characteristics, primarily physical in nature, are inherited from one's parents, transmitted by genes in the chromosomes contributed by each parent.

Research on animals has showed that physical and psychological characteristics can be transmitted through heredity. But research on human beings is inadequate to support this viewpoint. However, psychologists and geneticists have accepted the fact that heredity plays an important role in one's personality. The importance of heredity varies from one personality trait to another. For instance, heredity is generally more important in determining a person's temperament than values and ideals.

Brain

Another biological factor that influences personality is the role of the brain of an individual. The psychologists are unable to prove empirically the contribution of human brain in influencing personality. Preliminary results from the electrical stimulation of the brain (ESB) research gives indication that better understanding of human personality and behaviour might come from the study of the brain.

Physical Features

Perhaps the most outstanding factor that contributes to personality is the physical stature of an individual. An individual's external appearance is proved to be having a tremendous effect on his personality. For instance the fact that a person is short or tall, fat or skinny, handsome or ugly, black or whitish will undoubtedly influence the person's effect on others and in turn, will affect the self-concept. A person's physical characteristics may be related to his approach to the social environment, to the expectancies of others, and to their reactions, to him. These in turn may have

impacts on personality development. Psychologists contend that the different rates of maturation will also influence an individual's personality.

Cultural Factors

Culture is traditionally considered as the major determinant of an individual's personality. The culture largely determines what a person is and what a person will learn. The culture within which a person is brought up is very important determinant of behaviour of a person. The personality of an individual, to a marked extent, is determined by the culture in which he is brought up. According to Mussen "each culture expects, and trains, its members to behave in the ways that are acceptable to the group." In spite of the importance of the culture on personality, researchers are unable to establish correlation between these two concepts of personality and culture.

Family and Social Factors

In order to understand the effects of a family on individual's personality, we have to understand the socialisation process and identification process.

Socialisation Process

The contribution of family and social group in combination with the culture is known as socialisation. In the words of Mussen "socialisation is the process by which an individual infant acquires, from the enormously wide range of behavioural, potentials that are open to him at birth, those behavioural patterns that are customary and acceptable according to the standards of his family and social group." Socialization initially starts with the contact with mother and later on the other members of the family (father, sisters, close-relatives) and the social group play influential role in shaping an individual's personality.

Identification Process

Identification starts when a person begins to identify himself with some other members of the family. Normally a child tries to emulate certain actions of his parents. Identification process can be examined from three angles: (a) it can be viewed as the similarity of behaviour between child and the model, and (b) it can be looked as the child's motives or desires to be like the model and (c) it can be viewed as the process through which the child actually takes on the attributes of the model.

Apart from the socialisation and identification processes, the home environment influences the personality of an individual. There is substantial empirical evidence to indicate that the overall environment at home created by parents is critical to personality development. Researchers have developed a number of personality theories and no theory, at the outset, it must be pointed out, is complete in itself. Personality theories can be grouped under the five heads:

- i. Intrapsychic theory;
- ii. Type theories;
- iii. Trait theories;
- iv. Social Learning theory;
- v. Self-theory.

These theories differ markedly in the constructs they propose as forming the structure of the personality, and also the way they relate these constructs to behaviour. They also differ in the methods they use to assess or measure an individual's personality.

Intrapsychic Theory of Sigmund Freud

Freud remains the most influential theorist in the areas of personality. According to Freud the human mind is composed of three elements i] the preconscious, ii] the conscious iii] the unconscious. The items in the mind that can be recognized only through Freud's association method are "preconscious". The "conscious" element is concerned with thoughts, feelings, beliefs and desires that we probe during introspection.

The final component "unconscious" is basically concerned with ideas and wishes that cannot be learned through introspection but can be determined by hypnotism, analysis of dreams, and Freudian therapeutic techniques.

According to Freud the "conscious" is guided by a "reasoned reality" principle and the "unconscious" is guided by the famous "hedonistic principle" of pleasure. Freud developed an organisation of personality consisting of three structures within the human mind the id, the ego, and the superego. These parts of the mind are primarily responsible for originating human actions and reactions and modifications.

The Id

It is the original and the most basic system of human personality. At the base of the Freudian theory lies the id that is primitive, instinctual and governed by the principles of greed and pleasure. Id represents a storehouse of all instincts, containing in its dark depths all wishes, and desires that unconsciously direct and determines our behaviour. Id is largely childish, irrational, never satisfied, demanding and destructive of others. But id is the foundation upon which all other parts of personality are erected. Like a newly born baby id has no perception of reality. It is primitive, immoral, insistent and rash. Id is the reservoir of the "psychic energy" which Freud calls "Libido".

According to Freud id is totally oriented towards increasing pleasure and avoiding pain, and it strives for immediate satisfaction of desires. One notable characteristic of id is that it cannot tolerate uncomfortable levels of tension within it and seeks to release the tension as soon as it develops. The methods for dealing with tension by id are primary processes and reflex actions. The former attempts to discharge a tension by forming a mental image of desirable means of releasing the tension. But this kind of tension release is temporary and mental, and would not satisfy the real need. For instance, if a person is hungry the id deals with the situation by creating a mental image of desirable and good food that is palatable. The later method (reflex actions) of tension release is reflected in the behaviour of individuals such as blinking of eyes, raising eyebrows, rubbing the cheeks etc. Id, in fact, is capable of resolving the tension in reality. Id basically represents an individual's natural urges and feelings.

Ego

As an individual learns to separate the unreality from reality in childhood, the ego develops. The ego is reality-oriented part of thinking; it is largely practical and works in an executive capacity. Ego is rational and logical, and in essence, it is the conscious mediator between the realities of

world and the id's demands. It constantly works to keep a healthy psychological balance between id's impulsive demands and superego's restrictive guidance. Ego is rational master. The ego is said to be the executive part of the personality because it controls the gateway to action, selects the features of the environment to which it will respond, and decides what instincts will be satisfied.

The most important characteristic of ego is that it has the ability to distinguish between mental images and actual sources of tension release, and it responds to the real sources of tension reduction. The ego performs this task by:

1. Observing accurately what exists in the outside world (perceiving),
2. Recording these experiences carefully (remembering),
3. Modifying the external world in such a way as to satisfy the instinctual wishes (acting).

Superego

Superego represents noblest thoughts, ideals, feelings that are acquired by a person from his parents, teachers, friends, religion, organisation and colleagues etc. As a child grows and absorbs parental and cultural attitudes and values, he develops superego. Superego is the moralistic segment of the human personality. The primary concern of superego is to determine whether the action proposed by "ego" is right or wrong so that the individual acts in accordance with the values and standards of the society. If people violate the prohibitions of superego they may feel guilty.

The superego acts as a censor on the individual and as a censor a too strong superego is likely to be in constant and pronounced battle with the id. Freud says that the ego's role is to mediate between the id and superego. A personality becomes disorderly when either the id or superego becomes dominant. At the same time, it should be noted that when too much energy is consumed by ego in mediating between the id and superego, an individual's personal development will suffer (or adversely affected).

The superego, in some respects, is the antithesis of id. Psychologist Duane Schult notes that id is pressing for satisfaction, the ego is trying to delay it and the superego urges morality above all. Freud's human being is therefore described as "basically a battlefield.". Psychoanalysis, while acknowledged as having a powerful influence, has been seriously questioned as a scientific theory. This theory is criticised on methodological grounds. Further Freud's theory is criticised because it is largely untestable since his constructs are difficult to define and are ambiguous.

Trait Theories

Trait theorists view personality from the standpoint of understanding traits. Among trait theorists are included Allport, Cattell and Sheldon. Allport is of the opinion that each individual possesses a set of traits that are not shared by any other individuals. He emphasizes the uniqueness of personality. Cattell has extensively worked on traits in various work settings employing a number of psychological measures. On the basis of factor analysis he developed factor concepts such as tender-mindedness, somatic anxiety, dominance etc.

Sheldon extended physical structuring by asserting that physique consists of three components endomorphs (soft and spherical structure), mesomorphy (tough and muscular body) and

ectomorphy (linear and fragile). The relative existence of these three physical elements indicates specific personality patterns. Corresponding to these physical aspects, he assumed three aspects of temperament; viscerotonia (love of comfort and affection), somatotonia (physical adventure and risk taking) and cerebrotonia (restraint and inhibition). Although he assumed a close relationship between respective aspects of structure and personality, there is no evidence to support this view.

Evaluation of Trait Theories

When compared to type theories, trait theories have some sense. Instead of making unrealistic attempt to place personalities into discrete, discontinuous categories, trait theories give recognition to continuity of personalities. But the trait theories suffer from the following limitations:

- i. Traits may be too abstract. For example, the scale of 'measuring' 'anxiety' may be abstract.
- ii. Trait approach focuses on isolated traits without specifying how these traits are organized within the personality. Without knowing which traits are more important and how they are related to other traits of an individual, it is not possible to make adequate description of an individual's personality.
- iii. Another fundamental problem (or drawback) of trait theories is that they are essentially descriptive rather than analytical.

Self Theory

The intrapsychic, physiognomy and trait theories represent the traditional approaches to understanding the complex human personality. Self-theory rejects both psychoanalytic and behaviouristic conception of human nature as too mechanistic portraying people as creatures helplessly tossed about by internal instincts or external stimuli. Carl Rogers and his associates have developed the self-theory that places emphasis on the individual as an initiating, creating, influential determinant of behaviour within the environmental framework. To understand the Roger's theory we have to understand a) the self-concept, b) the organism and c) the development of self.

a) Self-Concept:

The most important concept in Roger's theory is the self. The self consists of all the perceptions, ideas, values, and characteristics that characterize 'I or Me'. It includes 'What I am' and 'What I can do'. Rogers defines the self-concept as "an organized, consistent, conceptual gestalt composed of perceptions of the characteristics of the I or me and the perceptions of the relationships of I or me to these perceptions". Here 'I' refers to the personal self, and 'me' refers to the social self.

Personal self-consists of a person's psychological processes such as perception, motivation and attitudes etc. that result in a composed whole. On the other hand the social self is the way an individual appears to others and the manner this person thinks he appears to others. The perceived self influences the person's perception of the world and his behaviour. An individual with a strong, positive self-concept is quite likely to view world quite differently from one whose self-concept is weak. One important thing to remember here is that self-concept does not necessarily mean or reflect reality. The essence of this theory is that individuals normally are active creators and initiators rather than passive reactors to the pressures of the environment. There is yet another self in Roguery's self-theory. That is the ideal self. It represents the type of person an individual likes

to be. This concept is similar to Freud's ego ideal. If the ideal self is closer to the real self, then the individual will be more fulfilled and happy.

b) The organism:

The organism is essentially the locus of all experience. The totality of experience is the field known to the person himself and is frequently referred to as frame of reference. Behaviour of an individual is largely determined by this field and not by the stimulating conditions of events in the external field or environment.

The individual evaluates every experience in relation to his self-concept. The experiences may be symbolized or unsymbolised. When they are symbolized they become part of individual's consciousness. Conversely, when they are unsymbolised they remain outside the confines of the awareness or consciousness of an individual. The important thing here is that distorted symbolization gives rise to inappropriate behaviour.

c) The development of Self-Personality:

Rogers feels that the fundamental force motivating the human organism is self-actualization i.e. a tendency toward fulfillment, toward the maintenance and enhancement of the organism. The tendency of self-actualization of both the organism and the self is subject to the profound influence of the social environment. In the childhood itself, when the child's behaviour is evaluated continuously by his parents, he will be in a position to discriminate between thoughts and actions that are considered 'worthy' and 'unworthy'. He will be able to exclude the unworthy experiences from his self-concept.

Rogers maintains that the innate tendency toward self-actualization often: runs counter to two needs — the need for their regard, and — the need for positive reward. It is true that the latter need is universal whereas the former one is the internalization of those actions and values that others approve. The regard may be conditional and unconditional. Ideally, the more completely the individual is given positive regard acceptance that is not conditional to specific behaviours — the more congruence there will be between his self-concept and his actual experience, as well as between his self-concept and ideal self.

Evaluation of the Self-Theory

Self-concept is the result of one's perceptual process. It is a cognitive factor and maintained through thinking-related activities. The self-theory is appreciated on the ground that it is organized around the concept of self. It is the one which says that personality and behaviour are largely determined by the individual whereas, in other theories, the individual is the medium through which behaviour is elicited after having been acted upon by elements over which he has no control.

In analyzing organizational behaviour, it would be beneficial for the manager to understand the self-concept because this unique concept influences the way he should apply various reinforcement motivation and leadership techniques in the process of maintaining the required amount of output. For instance, monetary rewards for performance, authoritarian leadership style and motivational strategies when applied to an intelligent, independent, confident, worker may be ineffective. These techniques may prove to be effective when are applied to the unintelligent, insecure, indecisive workers.

The various psychological processes may be thought of as the pieces of a jigsaw puzzle, and personality as the completed puzzle picture. As was recently noted, events in the external environment (including the presence and behaviour of others) strongly influence the way people behave at any particular point in time; yet people always bring something of themselves to the situation. We often refer to this 'something', which represents the unique qualities of the individual, as personality.

Personality and Organisation

In organizations, the difference in personalities of individuals are aggregated and lost when they are regarded as having somewhat identical patterns of behavioural tendencies. Some people in organizations respond most favorably to rule conscious, conformity demanding, security laden, and most protective principles. In other words there is a passion for bureaucracy for these people. On the extreme side some other people prefer autonomy flexibility in operations and jobs dynamism etc., in the organization. Therefore a good match between individual personality and organization is essential. Unfortunately, mismatches between personality and organizational requirements may also be bound to happen sometimes.

For instance, bureaucratization may be associated with the people characterized by greater intellectual flexibility, higher valuation of self, direction, greater openness to new experience and more personally rewarding morale standards etc. Such mismatch between personality and organization structure may lead to confusion and chaos, and loss of interest by the members in the organization, low morale and job satisfaction.

Determining an Individual's Personality

The sources of personality differences has got to do with two important factors:

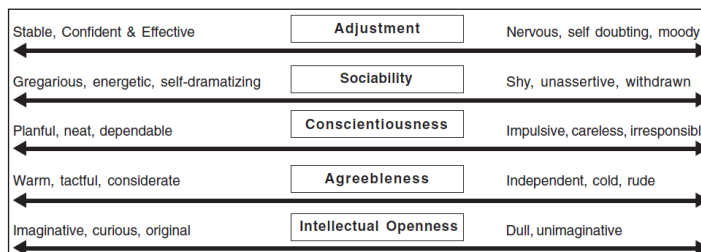
1. **Heredity:** Deeply ingrained in many people's notions of personality is a belief in it's genetic basis. Expressions such as "He is just like his father" reflect such beliefs. Historically, the nature-nurture controversy in personality theory was sharp disagreement about the extent to which the genetic factors influence personality.
2. **Environment:** Many behavioural experts still believe that the environment plays a larger role in shaping personality than do inherited characteristics. Aspects of the environment that influence personality formation include:
3. **Culture:** The term culture refers to the distinctive ways that different human populations or societies organize their lives. Individuals born into a particular culture are exposed to family and societal values and norms of acceptable behaviours. Although culture has an impact on development of employee's personality, not all individuals respond to cultural influences equally. Indeed, one of the serious mistakes managers could make is to assume that their subordinates and team members are just like themselves in terms of societal norms, values and personality.
4. **Family:** The primary vehicle for socializing an individual into a particular culture is the person's immediate family. In particular, parents influence the development of their children in three important ways:
 - i) Through their own behaviors, they present situations that bring out certain behaviours in children.

- ii) They serve as role models with which children often strongly identify.
- iii) They selectively reward and punish certain behaviours.
- iv) The family’s situation is also an important source of personality differences. Situational influences include the family’s size, socio economic levels, race, religion, parent’s education, and so on.
- v) **Group Membership:** The first group to which most individuals belong is their family. People also participate in various groups in their lives. The numerous roles and experiences that people have as members of groups represent another important source of personality differences. Although playmates and school groups early in life may have the strongest influences on personality formation, social and group experiences in the later life continue to influence and shape personality.
- vi) **Life Experiences:** Each person’s life is also unique in terms of specific events and experiences, which can serve as important determinants of personality. For example, the development of self esteem depends on a series of experiences that include the opportunity to achieve goals and meet expectations, evidence of ability to influence others, and clear sense of being valued by others.

Personality Structure

The number of and variety of specific personality traits or dimensions is bewildering. The term personality trait typically refers to the basic components of personality. Trait name simply refer to the terms people use to describe each other. To be useful, these terms need to be organized into small sets of concepts or descriptions.

Five main factors summarize the personality structure. These Big Five factors, as they often are referred to, describe individual’s adjustment, sociability, conscientiousness, agreeableness and intellectual openness. As shown in the figure below, each factor includes a potentially large number and range of specific traits or dimensions.



ATTITUDE

An attitude may be defined as a tendency to react positively or negatively in regard to an object. For example, a person who has a positive attitude towards the religion is likely to enjoy going to

worship services, believe that the religious institutions fosters morality, and may, therefore, contribute to its financial support.

An attitude is always directed toward some object, such as the temple, school etc. The object may be of general social significance, such as labour-management relations, or it may be purely personal, such as a feeling about playing cricket or football. Moreover, the object of an attitude may be as abstract as the philosophy of re-birth or as concrete as a car. An attitude is a tendency to react in a certain way. That is, a person who has an attitude has a readiness or a disposition to react favorably or unfavorably to anyone of a large variety of related situations. Until some situation arouses it, however, the attitude is latent. For example, a man who has a patriotic attitude toward his country is not continuously aroused about it. But his patriotic attitude arouses his country is threatened from an external aggression or if the National Anthem is sung, and so on.

Attitudes are for or against things. We tend to have favorable attitudes toward sources of gratification and unfavorable attitudes toward sources of punishment and frustration. It is possible, of course, that our attitudes toward an object may not be uniformly favorable or unfavorable. For example, we may admire and respect American technical accomplishments and yet resent other aspects of its system.

Arousal of Attitude

If an event appears to maintain, attain, or foster movement toward what one value, then this event will tend to arouse positive reactions. Accordingly, a person who identifies with the goals of management would react positively to legislation or proposal to restrict unionism. If an event appears to destroy, prevent attainment of, or otherwise endanger what one value, then this event will tend to arouse negative reactions. Accordingly a person who identifies with the goals of labor unions would react negatively to legislation or proposal to restrict trade unionism.

The stronger an attitude, less the stimulation which is necessary to arouse it. Let us assume that the following items constitute an ascending scale of stimulation of attitude arousal for a person who has an unfavorable attitude toward labour unions:

1. Seeing a group of people in working clothes;
2. Seeing a group of labourers entering a union hall;
3. Seeing a group of labourers picketing in an orderly manner;
4. Seeing a group of labourers milling about, jeering, and overturning a company truck.

For a person who has a weakly unfavorable attitude toward labor unions, perhaps only items 'D' would produce much of an attitudinal reaction. On the other hand, for a person who has an intensely anti-union attitude, item B and even A would be capable of arousing the attitude. The stronger one's attitude, the greater the probability of arousal of the attitude. Or the wider the range of stimulus situations which are capable of arousing it, for example, those who have strong attitudes, either favorable or unfavorable, in regard to untouchability are likely to be aroused by a wider range of situations than are those who have weak attitudes. An aroused attitude consists of three categories of internal (implicit, covert) responses. These consist of affective (emotional), reactions, cognition's (thoughts, perceptual reactions, judgements), and action tendencies.

The latter are actually motives for doing particular things. To illustrate, suppose that we consider someone's internal reactions to situations involving higher education. He likes (affective reaction) the company of well-educated people, enjoys (affective reaction) spending time in the university library, believes (cognition) that industrial society depends upon what universities do, judges (cognition) that college professors are capable people, and wants (action tendency) to contribute to a campaign to raise the university endowment. Thus an aroused attitude can be regarded as having affective, cognitive, and action components.

The set of implicit responses that is aroused on a particular occasion depends upon the person and the stimulus situations. Sometimes we have strong emotional reactions to a situation but lack definite beliefs and action tendencies in relation to it. For example, we might deeply resent a foreigner's blast against our country's policies but not have any systematic beliefs about the significance of his actions or any definite action tendencies. In some people affective reactions and beliefs may play a large part in their religious attitudes while their action tendencies are minimal.

The greater the degree of arousal of the affective component of an attitude, the greater the strength of reaction to other attitude-related stimuli. If a person is already stirred up about something relevant to an attitude, he will tend to react to some new attitude stimulus more strongly than he would otherwise do. A community that is angry about a "communal incident" will be likely to be sensitized to new threats to its values. It is not even necessary that the affective arousal be related to an attitudinally relevant stimulus for its effect to occur.

Attitudes and Values

Value is defined as a "concept of the desirable, an internalised criterion or standard of evaluation a person possesses." Such concepts and standards are relatively few and determine our guide an individual's evaluations of the many objects encountered in everyday life. Values are tinged with moral flavour, involving an individual's judgment of what is right, good or desirable. Thus values:

1. Provide standards of competence and morality,
2. Are fewer in number than attitudes,
3. Transcend specific objects, situations or persons,
4. Are relatively permanent and resistant to change,
5. Are most central to the core of a person.

There are differences between values and attitudes. Attitudes essentially represent predisposition to respond. Values focus on the judgment of what ought to be. This judgment can represent the specific manifestation of a determining tendency below the surface of the behaviour. Attitudes represent several beliefs focussed on a specific object or situation. Value, on the other hand, represents a single belief that transcendently guides actions and judgments across objects and situations. Finally, a value stands in relation to some social or cultural standards or norms while attitudes are mostly personal experiences. There are similarities between values and attitudes. Both are powerful instruments influencing cognitive process and behaviour of people. Both are learned and acquired from the same source – experiences with people and objects. Values and attitudes are relatively permanent and resistant to change. Finally, values and attitudes influence each, other and are, more often than not, used interchangeable.

Attitude and Opinions

An opinion is an expression of an evaluative judgment or point of view regarding a specific topic or subject. An attitude is somewhat generalized (such as liking or not liking a person's supervisor), whereas an opinion typically is an interpretation regarding a specific matter– (such as saying that the boss plays favorites in granting promotions). Opinions, however, typically are influenced by the more generalized attitude. The facts or observations within an individual experiences are interpreted in the light of his attitudes. Thus, if an engineer calls the attention of his work group to the fact that some of the safety rules have been violated, one person (who has an “unfavorable” attitude toward the engineer) might later- express the opinion to one of his colleagues that the engineer is “just picking on us”. Another person (who has a “favorable” attitude toward the engineer) might later express the opinion that the engineer is simply trying to keep us from getting our fingers cut off.

Attitude, Beliefs and Ideology

A belief is a judgment about something. For example, a belief that the world is round is a judgment about its form. Many of our beliefs, of course, are emotionally neutral; others are definitely favorable or unfavorable toward some object. For example, a favorable attitude toward the religion may involve beliefs that the religion helps to curb delinquency, that worshippers are better citizens than are non-devotees, that people who stay away from temples are unhappy and immoral, and so on.

When beliefs become organized into systems, they are called ideologies. The capitalist ideology, for example, is a set of beliefs that a free enterprise economy is maximally productive; that competition in the long run brings down prices and raises quality; and that events in the marketplace do and should determine what is produced. Related to this is a disbelief system – the set of beliefs, which one rejects. An individual committed to capitalist ideology would disbelieve that industry can be run efficiently without the profit system; that people will work primarily out of a desire to serve others; or that public ownership of all utilities is necessary for the common good.

There are ideologies pertaining to all the major institutions of society, such as the family, the law, the government, and the economic system. Although these ideologies are difficult to verify, we feel strongly about them and, as long as things go well, have great confidence in them. They give us an interpretation and a justification for our practices. Like religion, they are matters of faith. They give us an interpretation and a justification for our practices. Like religion, they are matters of faith. They give us social definition of reality. It is an interesting thing about human behaviour that some of the beliefs that we hold most tenaciously with the strongest feelings are not readily subject to proof or disproof.

Attitude and Prejudice

A prejudice is defined as an attitude that is emotionally resistant to being changed. Prejudices are strongly entrenched and vigorously defended, if threatened. They are acquired in the same way as other attitudes. They are supported by differences in relative privileges, fear, and certain personality factors.

Characteristics of Attitudes

Attitude can be characterized by their:

1. **Valence:** It refers to the magnitude or degree of favorableness or unfavourableness toward the object/event. While measuring the attitudes we are basically concerned with the valence. If a person is relatively indifferent toward an object then his attitude has low valence. On the other hand, if a person is extremely favorable or unfavorable toward and attitude object, then his attitude will have a high valence.
2. **Multiplexity:** It refers to the number of elements constituting the attitude. For example, one student may show interest in studies, but another not only shows interest, but also works hard, is sincere, and serious. Similarly an employee may feel simply loyal to an Organisation, but another may feel loyal, respectful, fearful and dependent.
3. **Relation to needs:** Attitudes vary in relation to needs they serve. For instance, attitudes of an individual toward the pictures may serve only entertainment needs. On the other hand, attitudes of an individual toward task may serve strong needs for security, achievement, recognition, and satisfaction.
4. **Centrality:** One salient characteristic of the attitude refers to the importance of the attitude object to the individual. The centrality indicates the importance of the object. The attitudes that have high centrality for an individual will be less susceptible to change.

Attitude Formation

The question often arises “Where do attitudes come from?” Attitudes are basically learned. People are not born with specific attitudes; rather they acquire them through the “process of sources of attitudes are learning”. Attitudes reflect a person’s previous reinforcement history. The sources of a person’s attitude are a mixture of:

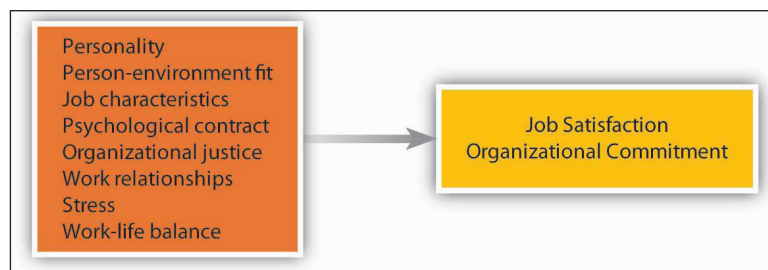
1. **Personal Experiences:** People form attitudes by coming in direct contact with an attitude object. By the time a person goes for work in a specified Organisation, he holds many attitudes toward the type of the job that is acceptable to him, the expected pay, working conditions and supervision. Through job experiences they develop attitudes about such factors as salary, performance reviews, job design, work group, affiliation and managerial capabilities etc. Previous work experience can account for the individual differences in attitudes such as loyalty, commitments, performance etc. Many managers in work organisations frequently notice these differences in attitudes.
2. **Association:** People are highly influenced by the major groups or associations to which they belong. Geographic region, religion, educational background, race, sex, age and income-class—all strongly influence attitudes. The nearer the group the stronger is the group influence on the attitudes of the individual.
3. **Family:** Family is the primary group that an individual belongs to. Family exerts influence on the initial core of attitudes held by an individual. Individuals develop certain attitudes from family members—parents, brothers, sisters etc. The family characteristics influence the individual’s early attitude patterns. Researchers have found a high degree of relationship between parents and children in attitudes than they found between children and their peers. They also

empirically observed low correlation between attitudes of the children and their teachers.

4. **Peer Groups:** As people approach their adulthood, they increasingly rely on their peer groups for approval /attitude. How others judge an individual largely determine his self-image and approval-seeking behaviour. Social class and religious affiliation also play vital role in forming attitudes of an individual. The culture, language, and the structure of society, all provide an individual with the boundaries of his initial attitudes. At the very early age an individual is taught that certain attitudes are acceptable and certain others are non- acceptable in the society. What seem to be appropriate in one individual's culture and society may be totally unacceptable in another culture.
5. **Models:** Some of the attitudes are developed through imitation of models. The process is something like this: In a particular situation, we see how another person behaves. We correctly or incorrectly interpret his behaviour as representing certain attitudes and beliefs. If we identify with him and respect his judgment, we tend to accept his way of perceiving and feeling about the situation. Children are often quite observant about how their parents react to different people and situations. They learn by watching whom their parent's respect, which they treat with condescension, whom they regard as friends, and whom they dislike. Such evaluations maybe acquired without the child's directly interacting with such people. Instead of using a simple model, children (and adults) may seek to emulate different characteristics of different people. In this way their values, attitudes, and beliefs may be derived from many other people. Those that are functional for them tend to be retained.
6. **Institutional Factors:** Many institutional factors function as sources and support of our attitudes and beliefs. For example, when people come into this temple, they bow down to pray, sit with heads bowed. Their clothes are clean and freshly washed. The entire process is devoted to ritual. From this we can get an idea as to the general character of the religious attitudes and beliefs. There is implicit attitude of reverence, an orientation toward a deity, a ritualized rather than spontaneous expression of feeling, a sharp differentiation between Pujari and devotees and so on. The different parts of the institution – the architecture, furnishings, people's clothing, and behaviour – have a meaning which fits in with certain beliefs and attitudes. There are many other institutions in our society – schools, military organizations, and the like – which also function as sources and supports of attitudes and beliefs.

Positive Work Attitude

What makes you satisfied with your job and develop commitment to your company? Research shows that people pay attention to several aspects of their work environment, including how they are treated, the relationships they form with colleagues and managers, and the actual work they perform.



Factors Contributing to Job Satisfaction and Organizational Commitment.

Personality

Some experts have shown that job satisfaction is not purely environmental and is partially due to our personality. Some people have a disposition to be happy in life and at work regardless of environmental factors.

It seems that people who have a positive affective disposition (those who have a tendency to experience positive moods more often than negative moods) tend to be more satisfied with their jobs and more committed to their companies, while those who have a negative disposition tend to be less satisfied and less committed. This is not surprising, as people who are determined to see the glass as half full will notice the good things in their work environment, while those with the opposite character will find more things to complain about. In addition to our affective disposition, people who have a neurotic personality (those who are moody, temperamental, critical of themselves and others) are less satisfied with their job, while those who are emotionally more stable tend to be more satisfied. Other traits such as conscientiousness, self-esteem, locus of control, and extraversion are also related to positive work attitudes. Either these people are more successful in finding jobs and companies that will make them happy and build better relationships at work, which would increase their satisfaction and commitment, or they simply see their environment as more positive—whichever the case, it seems that personality is related to work attitudes.

Person–Environment Fit

The fit between what we bring to our work environment and the environmental demands influences our work attitudes. Therefore, person–job fit and person–organization fit are positively related to job satisfaction and commitment. When our abilities match job demands and our values match company values, we tend to be more satisfied with our job and more committed to the company we work for.

Job Characteristics

The presence of certain characteristics on the job seems to make employees more satisfied and more committed. Using a variety of skills, having autonomy at work, receiving feedback on the job, and performing a significant task are some job characteristics that are related to satisfaction and commitment. However, the presence of these factors is not important for everyone. Some people have a high growth need. They expect their jobs to help them build new skills and improve as an employee. These people tend to be more satisfied when their jobs have these characteristics.

Psychological Contract

After accepting a job, people come to work with a set of expectations. They have an understanding of their responsibilities and rights. In other words, they have a psychological contract with the company. A psychological contract is an unwritten understanding about what the employee will bring to the work environment and what the company will provide in exchange. When people do not get what they expect, they experience a psychological contract breach, which leads to low job satisfaction and commitment. Imagine that you were told before being hired that the company was family friendly and collegial. However, after a while, you realize that they expect employees to work 70 hours a week, and employees are aggressive toward each other. You are likely to

experience a breach in your psychological contract and be dissatisfied. One way of preventing such problems is for companies to provide realistic job previews to their employees.

Organizational Justice

A strong influence over our satisfaction level is how fairly we are treated. People pay attention to the fairness of company policies and procedures, treatment from supervisors, and pay and other rewards they receive from the company.

Relationships at Work

Two strong predictors of our happiness at work and commitment to the company are our relationships with coworkers and managers. The people we interact with, their degree of compassion, our level of social acceptance in our work group, and whether we are treated with respect are all important factors surrounding our happiness at work. Research also shows that our relationship with our manager, how considerate the manager is, and whether we build a trust-based relationship with our manager are critically important to our job satisfaction and organizational commitment. When our manager and upper management listen to us, care about us, and value our opinions, we tend to feel good at work. Even small actions may show employees that the management cares about them. For example, Hotel Carlton in San Francisco was recently taken over by a new management group. One of the small things the new management did created dramatic results. In response to an employee attitude survey, they replaced the old vacuum cleaners housekeepers were using and established a policy of replacing them every year. This simple act of listening to employee problems and taking action went a long way to making employees feel that the management cares about them.

Stress

Not surprisingly, the amount of stress present in our job is related to our satisfaction and commitment. For example, experiencing role ambiguity (vagueness in relation to what our responsibilities are), role conflict (facing contradictory demands at work), and organizational politics, and worrying about the security of our job are all stressors that make people dissatisfied. On the other hand, not all stress is bad. Some stressors actually make us happier. For example, working under time pressure and having a high degree of responsibility are stressful, but they can also be perceived as challenges and tend to be related to high levels of satisfaction

Work–life Balance

In the 1950s, people's work was all-consuming. Employees went to work, worked long hours, and the rest of the family accepted that work came first. As society changed, the concept of always putting work first became outdated. In modern times, more employees expect to lead balanced lives, pursue hobbies, and spend more time with their children while at the same time continuing to succeed at work. The notion of work–family conflict is one cause of job dissatisfaction. This conflict can be particularly strong for women because of the time necessary for pregnancy and giving birth, but men struggle with it as well. When work life interferes with family life, we are more stressed and unhappy with our jobs. Research shows that policies that help employees achieve a balance between their work and personal lives, such as allowing telecommuting, are related to higher job

satisfaction. For example, the medical resources group of the pharmaceutical company AstraZeneca International does not have fixed working hours, and employees can work any hours they choose. Motorola's technological acceleration group also has flexible hours and can work from anywhere (home, office, or a coffee shop) at anytime.

ORGANIZATION DEVELOPMENT

Organization development (OD) is the study of successful organizational change and performance. OD emerged from human relations studies in the 1930s, during which psychologists realized that organizational structures and processes influence worker behavior and motivation. More recently, work on OD has expanded to focus on aligning organizations with their rapidly changing and complex environments through organizational learning, knowledge management and transformation of organizational norms and values. Key concepts of OD theory include: organizational climate (the mood or unique "personality" of an organization, which includes attitudes and beliefs that influence members' collective behavior), organizational culture (the deeply-seated norms, values and behaviors that members share) and organizational strategies (how an organization identifies problems, plans action, negotiates change and evaluates progress).

Organization development as a practice involves an ongoing, systematic process of implementing effective organizational change. OD is both a field of applied science focused on understanding and managing organizational change and a field of scientific study and inquiry. It is interdisciplinary in nature and draws on sociology, psychology, particularly industrial and organizational psychology, and theories of motivation, learning, and personality. Although behavioral science has provided the basic foundation for the study and practice of OD, new and emerging fields of study have made their presence felt. Experts in systems thinking, in organizational learning, in the structure of intuition in decision-making, and in coaching (to name a few) whose perspective is not steeped in just the behavioral sciences, but in a much more multi-disciplinary and inter-disciplinary approach, have emerged as OD catalysts or tools.

Core Values

Underlying Organization Development are humanistic values. Margulies and Raia articulated the humanistic values of OD as follows:

1. Providing opportunities for people to function as human beings rather than as resources in the productive process.
2. Providing opportunities for each organization member, as well as for the organization itself, to develop to their full potential.
3. Seeking to increase the effectiveness of the organization in terms of all of its goals.
4. Attempting to create an environment in which it is possible to find exciting and challenging work.
5. Providing opportunities for people in organizations to influence the way in which they relate to work, the organization, and the environment.

6. Treating each human being as a person with a complex set of needs, all of which are important to their work and their life.

This is a separate concept from change efforts known as:

1. Operation management,
2. Training and Development,
3. Technological innovations etc.

Objectives

The objectives of OD are:

1. To increase the level of inter-personal trust among employees.
2. To increase employees' level of satisfaction and commitment.
3. To confront problems instead of neglecting them.
4. To effectively manage conflict.
5. To increase cooperation and collaboration among employees.
6. To increase organizational problem-solving.
7. To put in place processes that will help improve the ongoing operation of an organization on a continuous basis.

As objectives of organizational development are framed keeping in view specific situations, they vary from one situation to another. In other words, these programs are tailored to meet the requirements of a particular situation. But broadly speaking, all organizational development programs try to achieve the following objectives:

1. Making individuals in the organization aware of the vision of the organization. Organizational development helps in making employees align with the vision of the organization.
2. Encouraging employees to solve problems instead of avoiding them.
3. Strengthening inter-personal trust, cooperation, and communication for the successful achievement of organizational goals.
4. Encouraging every individual to participate in the process of planning, thus making them feel responsible for the implementation of the plan.
5. Creating a work atmosphere in which employees are encouraged to work and participate enthusiastically.
6. Replacing formal lines of authority with personal knowledge and skill.
7. Preparing members to align with changes and to break stereotypes.
8. Creating an environment of trust so that employees willingly accept change.

According to organizational-development thinking, organization development provides managers with a vehicle for introducing change systematically by applying a broad selection of management techniques. This, in turn, leads to greater personal, group, and organizational effectiveness.

Change Agent

A change agent in the sense used here is not a technical expert skilled in such functional areas as accounting, production, or finance. The change agent is a behavioral scientist who knows how to get people in an organization involved in solving their own problems. A change agent's main strength is a comprehensive knowledge of human behavior, supported by a number of intervention techniques. The change agent can be either external or internal to the organization. An internal change agent is usually a staff person who has expertise in the behavioral sciences and in the intervention technology of OD. Beckhard reports several cases in which line people have been trained in OD and have returned to their organizations to engage in successful change-assignments. In the natural evolution of change mechanisms in organizations, this would seem to approach the ideal arrangement.

Researchers at the University of Oxford found that leaders can be effective change-agents within their own organizations if they are strongly committed to "knowledge leadership" targeted towards organizational development. In their three-year study of UK healthcare organizations, the researchers identified three different mechanisms through which knowledge leaders actively "transposed", "appropriated" or "contended" change concepts, effectively translating and embedding these in organizational practice.

The change agent may be a staff or line member of the organization who is schooled in OD theory and technique. In such a case, the "contractual relationship" is an in-house agreement that should probably be explicit with respect to all of the conditions involved except the fee.

Sponsoring Organization

The initiative for OD programs often comes from an organization that has a problem or anticipates facing a problem. This means that top management or someone authorized by top management is aware that a problem exists and has decided to seek help in solving it. There is a direct analogy here to the practice of psychotherapy. The client or patient must actively seek help in finding a solution to his problems. This indicates a willingness on the part of the client organization to accept help and assures the organization that management is actively concerned.

Applied Behavioral Science

One of the outstanding characteristics of OD that distinguishes it from most other improvement programs is that it is based on a "helping relationship". Some believe that the change agent is a physician to the organization's ills; that s/he does not examine the "patient", make a diagnosis, and write a prescription. Nor does s/he try to teach organizational members a new inventory of knowledge which they then transfer to the job situation. Using theory and methods drawn from such behavioral sciences as industrial/organizational psychology, industrial sociology, communication, cultural anthropology, administrative theory, organizational behavior, economics, and political science, the change agent's main function is to help the organization define and solve its own problems. The basic method used is known as action research. This approach, consists of a

preliminary diagnosis, collecting data, feedback of the data to the client, data exploration by the client group, action planning based on the data, and taking action.

The Holistic and Futuristic view of Organization

OD deals with a total system — the organization as a whole, including its relevant environment — or with a subsystem or systems — departments or work groups — in the context of the total system. Parts of systems — for example, individuals, cliques, structures, norms, values, and products — are not considered in isolation; the principle of interdependency — that change in one part of a system affects the other parts — is fully recognized. Thus OD interventions focus on the total cultures and cultural processes of organizations. The focus is also on groups, since the relevant behavior of individuals in organizations and groups is generally a product of the influences of groups rather than of personalities.

Improved Organizational Performance

The objective of OD is to improve the organization's capacity to handle its internal and external functioning and relationships. This includes improved interpersonal and group processes, more effective communication, and enhanced ability to cope with organizational problems of all kinds. It also involves more effective decision processes, more appropriate leadership styles, improved skill in dealing with destructive conflict, as well as developing improved levels of trust and cooperation among organizational members. These objectives stem from a value system based on an optimistic view of the nature of man — that man in a supportive environment is capable of achieving higher levels of development and accomplishment. Essential to organization development and effectiveness is the scientific method — inquiry, a rigorous search for causes, experimental testing of hypotheses, and review of results.

Self-managing work groups allows the members of a work team to manage, control, and monitor all facets of their work, from recruiting, hiring, and new employees to deciding when to take rest breaks. An early analysis of the first-self-managing work groups yielded the following behavioral characteristics:

- Employees assume personal responsibility and accountability for outcomes of their work.
- Employees monitor their own performance and seek feedback on how well they are accomplishing their goals.
- Employees manage their performance and take corrective action when necessary to improve their and the performance of other group members.
- Employees seek guidance, assistance, and resources from the organization when they do not have what they need to do the job.
- Employees help members of their work group and employees in other groups to improve job performance and raise productivity for the organization as a whole.

Organizational Self-renewal

The ultimate aim of OD practitioners is to “work themselves out of a job” by leaving the client organization with a set of tools, behaviors, attitudes, and an action plan with which to monitor its

own state of health and to take corrective steps toward its own renewal and development. This is consistent with the systems concept of feedback as a regulatory and corrective mechanism. To this end, OD scholars and practitioners use tools such as simulations with their clients, to be used in workshops and classroom settings.

The study of organizational effectiveness and improving organizational performance has developed alongside the study of leadership development with a greater focus on leadership development programs which focus on development of the individual. Emotional intelligence in relation to leadership development.

Understanding Organizations

Weisbord presents a six-box model for understanding organizations:

1. **Purposes:** The organization members are clear about the organization's mission and purpose and goal agreements, whether people support the organization's purpose.
2. **Structure:** How is the organization's work divided up? The question is whether there is an adequate fit between the purpose and the internal structure.
3. **Relationship:** Between individuals, between units or departments that perform different tasks, and between the people and requirements of their jobs.
4. **Rewards:** The consultant should diagnose the similarities between what the organization formally rewarded or punished members for.
5. **Leadership:** Is to watch for blips among the other boxes and maintain balance among them.
6. **Helpful mechanism:** What must the organization attend to in order to survive and thrive - procedures such as planning, control, budgeting, and other information systems.

Modern Development

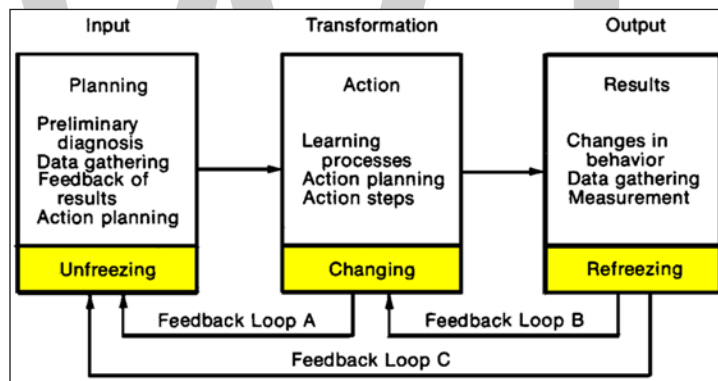
In recent years, serious questioning has emerged about the relevance of OD to managing change in modern organizations. The need for "reinventing" the field has become a topic that even some of its "founding fathers" are discussing critically.

With this call for reinvention and change, scholars have begun to examine organization development from an emotion-based standpoint. For example, deKlerk writes about how emotional trauma can negatively affect performance. Due to downsizing, outsourcing, mergers, restructuring, continual changes, invasions of privacy, harassment, and abuses of power, many employees experience the emotions of aggression, anxiety, apprehension, cynicism, and fear, which can lead to performance decreases. deKlerk suggests that in order to heal the trauma and increase performance, O.D. practitioners must acknowledge the existence of the trauma, provide a safe place for employees to discuss their feelings, symbolize the trauma and put it into perspective, and then allow for and deal with the emotional responses. One method of achieving this is by having employees draw pictures of what they feel about the situation, and then having them explain their drawings with each other. Drawing pictures is beneficial because it allows employees to express emotions they normally would not be able to put into words. Also, drawings often prompt active participation in the activity, as everyone is required to draw a picture and then discuss its meaning.

The use of new technologies combined with globalization has also shifted the field of organization development. Roland Sullivan defined Organization Development with participants at the 1st Organization Development Conference for Asia in Dubai-2005 as “Organization Development is a transformative leap to a desired vision where strategies and systems align, in the light of local culture with an innovative and authentic leadership style using the support of high tech tools. Bob Aubrey introduced KDIs (Key Development Indicators) to help organisations go beyond performance and align strategy, organisations and individuals and argued that fundamental challenges such as robotics, artificial intelligence and genetics prefigure a regeneration of the field.

Action Research

Wendell L French and Cecil Bell defined organization development (OD) at one point as “organization improvement through action research”. If one idea can be said to summarize OD’s underlying philosophy, it would be action research as it was conceptualized by Kurt Lewin and later elaborated and expanded on by other behavioral scientists. Concerned with social change and, more particularly, with effective, permanent social change, Lewin believed that the motivation to change was strongly related to action: If people are active in decisions affecting them, they are more likely to adopt new ways.



Systems Model of Action-Research Process.

Lewin’s description of the process of change involves three steps:

“Unfreezing”: Faced with a dilemma or disconfirmation, the individual or group becomes aware of a need to change.

“Changing”: The situation is diagnosed and new models of behavior are explored and tested.

“Refreezing”: Application of new behavior is evaluated, and if reinforced, adopted.

Figure above summarizes the steps and processes involved in planned change through action research. Action research is depicted as a cyclical process of change. The cycle begins with a series of planning actions initiated by the client and the change agent working together. The principal elements of this stage include a preliminary diagnosis, data gathering, feedback of results, and joint action planning. In the language of systems theory, this is the input phase, in which the client system becomes aware of problems as yet unidentified, realizes it may need outside help to effect changes, and shares with the consultant the process of problem diagnosis.

The second stage of action research is the action, or transformation, phase. This stage includes actions relating to learning processes (perhaps in the form of role analysis) and to planning and executing behavioral changes in the client organization. As shown in figure, feedback at this stage would move via Feedback Loop A and would have the effect of altering previous planning to bring the learning activities of the client system into better alignment with change objectives. Included in this stage is action-planning activity carried out jointly by the consultant and members of the client system. Following the workshop or learning sessions, these action steps are carried out on the job as part of the transformation stage.

The third stage of action research is the output, or results, phase. This stage includes actual changes in behavior (if any) resulting from corrective action steps taken following the second stage. Data are again gathered from the client system so that progress can be determined and necessary adjustments in learning activities can be made. Minor adjustments of this nature can be made in learning activities via Feedback Loop B. Major adjustments and reevaluations would return the OD project to the first, or planning, stage for basic changes in the program. The action-research model shown in figure closely follows Lewin's repetitive cycle of planning, action, and measuring results. It also illustrates other aspects of Lewin's general model of change. As indicated in the figure, the planning stage is a period of unfreezing, or problem awareness. The action stage is a period of changing, that is, trying out new forms of behavior in an effort to understand and cope with the system's problems. (There is inevitable overlap between the stages, since the boundaries are not clear-cut and cannot be in a continuous process). The results stage is a period of refreezing, in which new behaviors are tried out on the job and, if successful and reinforcing, become a part of the system's repertoire of problem-solving behavior.

Action research is problem centered, client centered, and action oriented. It involves the client system in a diagnostic, active-learning, problem-finding, and problem-solving process. Data are not simply returned in the form of a written report but instead are fed back in open joint sessions, and the client and the change agent collaborate in identifying and ranking specific problems, in devising methods for finding their real causes, and in developing plans for coping with them realistically and practically. Scientific method in the form of data gathering, forming hypotheses, testing hypotheses, and measuring results, although not pursued as rigorously as in the laboratory, is nevertheless an integral part of the process. Action research also sets in motion a long-range, cyclical, self-correcting mechanism for maintaining and enhancing the effectiveness of the client's system by leaving the system with practical and useful tools for self-analysis and self-renewal.

OD Interventions

"Interventions" are principal learning processes in the "action" stage of organization development. Interventions are structured activities used individually or in combination by the members of a client system to improve their social or task performance. They may be introduced by a change agent as part of an improvement program, or they may be used by the client following a program to check on the state of the organization's health, or to effect necessary changes in its own behavior. "Structured activities" mean such diverse procedures as experiential exercises, questionnaires, attitude surveys, interviews, relevant group discussions, and even lunchtime meetings between the change agent and a member of the client organization. Every action that influences an organization's improvement program in a change agent-client system relationship can be said to be an intervention.

There are many possible intervention strategies from which to choose. Several assumptions about the nature and functioning of organizations are made in the choice of a particular strategy. Beckhard lists six such assumptions:

1. The basic building blocks of an organization are groups (teams). Therefore, the basic units of change are groups, not individuals.
2. An always relevant change goal is the reduction of inappropriate competition between parts of the organization and the development of a more collaborative condition.
3. Decision making in a healthy organization is located where the information sources are, rather than in a particular role or level of hierarchy.
4. Organizations, subunits of organizations, and individuals continuously manage their affairs against goals. Controls are interim measurements, not the basis of managerial strategy.
5. One goal of a healthy organization is to develop generally open communication, mutual trust, and confidence between and across levels.
6. People support what they help create. People affected by a change must be allowed active participation and a sense of ownership in the planning and conduct of the change.

Interventions range from those designed to improve the effectiveness of individuals through those designed to deal with teams and groups, intergroup relations, and the total organization. There are interventions that focus on task issues (what people do), and those that focus on process issues (how people go about doing it). Finally, interventions may be roughly classified according to which change mechanism they tend to emphasize. For example: feedback, awareness of changing cultural norms, interaction and communication, conflict, and education through either new knowledge or skill practice.

One of the most difficult tasks confronting the change agent is to help create in the client system a safe climate for learning and change. In a favorable climate, human learning builds on itself and continues indefinitely during man's lifetime. Out of new behavior, new dilemmas and problems emerge as the spiral continues upward to new levels. In an unfavorable climate, in contrast, learning is far less certain, and in an atmosphere of psychological threat, it often stops altogether. Unfreezing old ways can be inhibited in organizations because the climate makes employees feel that it is inappropriate to reveal true feelings, even though such revelations could be constructive. In an inhibited atmosphere, therefore, necessary feedback is not available. Also, trying out new ways may be viewed as risky because it violates established norms. Such an organization may also be constrained because of the law of systems. If one part changes, other parts will become involved. Hence, it is easier to maintain the status quo. Hierarchical authority, specialization, span of control, and other characteristics of formal systems also discourage experimentation.

The change agent must address himself to all of these hazards and obstacles. Some of the things which will help him are:

1. A real need in the client system to change.
2. Genuine support from management.
3. Setting a personal example: listening, supporting behavior.

4. A sound background in the behavioral sciences.
5. A working knowledge of systems theory.
6. A belief in man as a rational, self-educating being fully capable of learning better ways to do things.

A few examples of interventions include team building, coaching, Large Group Interventions, mentoring, performance appraisal, downsizing, TQM, and leadership development.

ORGANIZATIONAL CULTURE

Organizational culture encompasses values and behaviors that contribute to the unique social and psychological environment of a business. The organizational culture influences the way people interact, the context within which knowledge is created, the resistance they will have towards certain changes, and ultimately the way they share (or the way they do not share) knowledge. Organizational culture represents the collective values, beliefs and principles of organizational members. It may also be influenced by factors such as history, product, market, technology, strategy, type of employees, management style, and national culture. Culture includes the organization's vision, values, norms, systems, symbols, language, assumptions, environment, location, beliefs and habits.

Ravasi and Schultz characterise organizational culture as a set of shared assumptions that guide behaviors. It is also the pattern of such collective behaviors and assumptions that are taught to new organizational members as a way of perceiving and, even thinking and feeling. Thus organizational culture affects the way people and groups interact with each other, with clients, and with stakeholders. In addition, organizational culture may affect how much employees identify with an organization.

Schein, Deal and Kennedy, and Kotter advanced the idea that organizations often have very differing cultures as well as subcultures. Although a company may have its "own unique culture," in larger organizations there are sometimes co-existing or conflicting subcultures because each subculture is linked to a different management team. Flamholtz and Randle suggest that one can view organizational culture as "corporate personality." They define it as it consisting of the values, beliefs, and norms which influence the behavior of people as members of an organization.

Organizational culture refers to culture in any type of organization including that of schools, universities, not-for-profit groups, government agencies, or business entities. In business, terms such as corporate culture and company culture are often used to refer to a similar concept. The term corporate culture became widely known in the business world in the late 1980s and early 1990s. *Corporate culture* was already used by managers, sociologists, and organizational theorists by the beginning of the 80s. The related idea of organizational climate emerged in the 1960s and 70s, and the terms are now somewhat overlapping.

If organizational culture is seen as something that characterizes an organization, it can be manipulated and altered depending on leadership and members. Culture as root metaphor sees the organization as its culture, created through communication and symbols, or competing metaphors. Culture is basic, with personal experience producing a variety of perspectives.

The organizational communication perspective on culture views culture in three different ways:

- Traditionalism: Views culture through objective things such as stories, rituals, and symbols.
- Interpretivism: Views culture through a network of shared meanings (organization members sharing subjective meanings).
- Critical-interpretivism: Views culture through a network of shared meanings as well as the power struggles created by a similar network of competing meanings.

Business executive Bernard L. Rosauer defines organizational culture as an *emergence* – an extremely complex incalculable state that results from the combination of a few ingredients. In “Three Bell Curves: Business Culture Decoded” Rosauer outlines the three manageable ingredients which (he claims) guide business culture:

1. Employee (focus on engagement).
2. The work (focus on eliminating waste increasing value) waste.
3. The customer (focus on likelihood of referral).

Rosauer writes that the Three Bell Curves methodology aims to bring leadership, their employees, the work and the customer together for focus without distraction, leading to an improvement in culture and brand. He states: “If a methodology isn’t memorable, it won’t get used. The Three Bell Curves Methodology is simple (to remember) but execution requires strong leadership and diligence. Culture can be guided by managing the ingredients.” Reliance of the research and findings of Sirota Survey Intelligence, which has been gathering employee data worldwide since 1972, the Lean Enterprise Institute, Cambridge, MA, and Fred Reichheld/Bain/Satmetrix research relating to Net Promoter Score.

Typology of Cultural Types

Typology refers to the “study of or analysis or classification based on types or categories.” Organizational culture and climate may be erroneously used interchangeably. Organizational culture has been described as an organization’s ideals, vision, and mission, whereas climate is better defined as employees’ shared meaning related to the company’s policies and procedures and reward/consequence systems. Many factors, ranging from depictions of relative strength to political and national issues, can contribute to the type or types of culture that can be observed in organizations and institutions of all sizes. Below are examples of organizational culture types.

Strong and Weak Typology of Organizational Culture

Flamholtz and Randle state that: “A strong culture is one that people clearly understand and can articulate. A weak culture is one that employees have difficulty defining, understanding, or explaining.” *Strong culture* is said to exist where staff respond to stimulus because of their alignment to organizational values. In such environments, strong cultures help firms operate like well-oiled machines, engaging in outstanding execution with only minor adjustments to existing procedures as needed.

Conversely, there is *weak culture* where there is little alignment with organizational values, and control must be exercised through extensive procedures and bureaucracy.

Research shows that organizations that foster strong cultures have clear values that give employees a reason to embrace the culture. A “strong” culture may be especially beneficial to firms operating in the service sector since members of these organizations are responsible for delivering the service and for evaluations important constituents make about firms. Organizations may derive the following benefits from developing strong and productive cultures:

- Better aligning the company towards achieving its vision, mission, and goals.
- High employee motivation and loyalty.
- Increased team cohesiveness among the company’s various departments and divisions.
- Promoting consistency and encouraging coordination and control within the company.
- Shaping employee behavior at work, enabling the organization to be more efficient.

Irving Janis defined groupthink as “a mode of thinking that people engage in when they are deeply involved in a cohesive in-group, when the members’ strivings for unanimity override their motivation to realistically appraise alternative courses of action.” This is a state in which even if group members have different ideas, they do not challenge organizational thinking. As a result, innovative thinking is stifled. Groupthink can lead to lack of creativity and decisions made without critical evaluation. Groupthink can occur, for example, when group members rely heavily on a central charismatic figure in the organization or where there is an “evangelical” belief in the organization’s values. Groupthink can also occur in groups characterized by a friendly climate conducive to conflict avoidance.

Healthy

Organizations should strive for what is considered a “healthy” organizational culture in order to increase productivity, growth, efficiency and reduce counterproductive behavior and turnover of employees. A variety of characteristics describe a healthy culture, including:

- Acceptance and appreciation for diversity.
- Regard for fair treatment of each employee as well as respect for each employee’s contribution to the company.
- Employee pride and enthusiasm for the organization and the work performed.
- Equal opportunity for each employee to realize their full potential within the company.
- Strong communication with all employees regarding policies and company issues.
- Strong company leaders with a strong sense of direction and purpose.
- Ability to compete in industry innovation and customer service, as well as price.
- Lower than average turnover rates (perpetuated by a healthy culture).
- Investment in learning, training, and employee knowledge.

Additionally, performance oriented cultures have been shown to possess statistically better financial growth. Such cultures possess high employee involvement, strong internal communications and an acceptance and encouragement of a healthy level of risk-taking in order to achieve innovation. Additionally, organizational cultures that explicitly emphasize factors related to the demands placed on them by industry technology and growth will be better performers in their industries.

According to Kotter and Heskett, organizations with adaptive cultures perform much better than organizations with unadaptive cultures. An adaptive culture translates into organizational success; it is characterized by managers paying close attention to all of their constituencies, especially customers, initiating change when needed, and taking risks. An unadaptive culture can significantly reduce a firm's effectiveness, disabling the firm from pursuing all its competitive/operational options.

Healthy companies are able to deal with employees' concerns about the well-being of the organization internally, before the employees would even feel they needed to raise the issues externally. It is for this reason that whistle blowing, particularly when it results in serious damage to a company's reputation, is considered to be often a sign of a chronically dysfunctional corporate culture. Another relevant concept is the notion of "cultural functionality". Specifically, some organizations have "functional" cultures while others have "dysfunctional" cultures. A "functional" culture is a positive culture that contributes to an organization's performance and success. A "dysfunctional" culture is one that hampers or negatively affects an organization's performance and success.

Management Types of Communication

There are many different types of communication that contribute in creating an organizational culture:

- Metaphors such as comparing an organization to a machine or a family reveal employees' shared meanings of experiences at the organization.
- Stories can provide examples for employees of how to or not to act in certain situations.
- Rites and ceremonies combine stories, metaphors, and symbols into one. Several different kinds of rites affect organizational culture:
 - Rites of passage: employees move into new roles.
 - Rites of degradation: employees have power taken away from them.
 - Rites of enhancement: public recognition for an employee's accomplishments.
 - Rites of renewal: improve existing social structures.
 - Rites of conflict reduction: resolve arguments between certain members or groups.
 - Rites of integration: reawaken feelings of membership in the organization.
- Reflexive comments are explanations, justifications, and criticisms of our own actions. This includes:
 - Plans: comments about anticipated actions.
 - Commentaries: comments about action in the present.
 - Accounts: comments about an action or event that has already occurred.

Such comments reveal interpretive meanings held by the speaker as well as the social rules they follow.

- Fantasy Themes are common creative interpretations of events that reflect beliefs, values, and goals of the organization. They lead to rhetorical visions, or views of the organization and its environment held by organization members.

Bullying Culture Type

Bullying is seen to be prevalent in organizations where employees and managers feel that they have the support, or at least implicitly the blessing, of senior managers to carry on their abusive and bullying behaviour. Furthermore, new managers will quickly come to view this form of behaviour as acceptable and normal if they see others get away with it and are even rewarded for it.

When bullying happens at the highest levels, the effects may be far reaching. That people may be bullied irrespective of their organisational status or rank, including senior managers, indicates the possibility of a negative ripple effect, where bullying may be cascaded downwards as the targeted supervisors might offload their own aggression on their subordinates. In such situations, a bullying scenario in the boardroom may actually threaten the productivity of the entire organisation.

Tribal Type of Culture

David Logan and coauthors have proposed in their book *Tribal Leadership* that organizational cultures change in stages, based on an analysis of human groups and tribal cultures. They identify five basic stages:

1. *Life sucks* (a subsystem severed from other functional systems like tribes, gangs and prison—2 percent of population),
2. *My life sucks* (I am stuck in the Dumb Motor Vehicle line and can't believe I have to spend my time in this lost triangle of ineffectiveness—25 percent of population),
3. *I'm great* (and you're not, I am detached from you and will dominate you regardless of your intent—48 percent of population);
4. *We are great, but other groups suck* (citing Zappo's and an attitude of unification around more than individual competence—22 percent of population),
5. *Life is great* (citing Desmond Tutu's hearing on truth and values as the basis of reconciliation—3 percent of population).

This model of organizational culture provides a map and context for leading an organization through the five stages.

Personal Culture

Organizational culture is taught to the person as culture is taught by his/her parents thus changing and modeling his/her personal culture. Indeed, employees and people applying for a job are advised to match their “personality to a company's culture” and fit to it. Some researchers even suggested and have made case studies research on personality changing.

National Culture Type

Corporate culture is used to control, coordinate, and integrate company subsidiaries. However differences in national cultures exist contributing to differences in the views on management. Differences between national cultures are deep rooted values of the respective cultures, and these cultural values can shape how people expect companies to be run, and how relationships between

leaders and followers should be, resulting in differences between the employer and the employee regarding expectations. Perhaps equally foundational; observing the vast differences in national copyright (and taxation, etc.) laws suggests deep rooted differences in cultural attitudes and assumptions about property rights and sometimes about the desired root function, place, or purpose of corporations relative to the population.

Multiplicity

Xibao Zhang carried out an empirical study of culture emergence in the Sino-Western international cross-cultural management (SW-ICCM) context in China. Field data were collected by interviewing Western expatriates and Chinese professionals working in this context, supplemented by non-participant observation and documentary data. The data were then analyzed objectively to formulate theme-based substantive theories and a formal theory.

The major finding of this study is that the human cognition contains three components, or three broad types of “cultural rules of behavior”, namely, Values, Expectations, and Ad Hoc Rules, each of which has a mutually conditioning relationship with behavior. The three cognitive components are different in terms of the scope and duration of their mutual shaping of behavior. Values are universal and enduring rules of behavior; Expectations, on the other hand, are context-specific behavioral rules; while Ad Hoc Rules are improvised rules of behavior that the human mind devises contingent upon a particular occasion. Furthermore, they need not be consistent, and frequently are not, among themselves. Metaphorically, they can be compared to a multi-carriage train, which allows for the relative lateral movements by individual carriages so as to accommodate bumps and turns in the tracks. In fact, they provide a “shock-absorber mechanism”, so to speak, which enables individuals in SW-ICCM contexts to cope with conflicts in cultural practices and values, and to accommodate and adapt themselves to cultural contexts where people from different national cultural backgrounds work together over extended time. It also provides a powerful framework which explains how interactions by individuals in SW-ICCM contexts give rise to emerging hybrid cultural practices characterized by both stability and change.

One major theoretical contribution of this “multi-carriage train” perspective is its allowance for the existence of inconsistencies among the three cognitive components in their mutual conditioning of behavior. This internal inconsistency view is in stark contrast to the traditional internal consistency assumption explicitly or tacitly held by many culture scholars. The other major theoretical contribution, which follows logically from the first one, is to view culture as an overarching entity which is made of a multiplicity of Values, Expectations, and Ad Hoc Rules. This notion of one (multiplicity) culture to an organization leads to the classification of culture along its path of emergence into nascent, adolescent, and mature types, each of which is distinct in terms of the pattern of the three cognitive components and behavior.

Effects

Research suggests that numerous outcomes have been associated either directly or indirectly with organizational culture. A healthy and robust organizational culture may provide various benefits, including the following:

- Competitive edge derived from innovation and customer service.

- Consistent, efficient employee performance.
- Team cohesiveness.
- High employee morale.
- Strong company alignment towards goal achievement.

Although little empirical research exists to support the link between organizational culture and organizational performance, there is little doubt among experts that this relationship exists. Organizational culture can be a factor in the survival or failure of an organization – although this is difficult to prove given that the necessary longitudinal analyses are hardly feasible. The sustained superior performance of firms like IBM, Hewlett-Packard, Procter & Gamble, and McDonald's may be, at least partly, a reflection of their organizational cultures.

A 2003 Harvard Business School study reported that culture has a significant effect on an organization's long-term economic performance. The study examined the management practices at 160 organizations over ten years and found that culture can enhance performance or prove detrimental to performance. Organizations with strong performance-oriented cultures witnessed far better financial growth. Additionally, a 2002 Corporate Leadership Council study found that cultural traits such as risk taking, internal communications, and flexibility are some of the most important drivers of performance, and may affect individual performance. Furthermore, innovativeness, productivity through people, and the other cultural factors cited by Peters and Waterman also have positive economic consequences.

Denison, Haaland, and Goelzer found that culture contributes to the success of the organization, but not all dimensions contribute the same. It was found that the effects of these dimensions differ by global regions, which suggests that organizational culture is affected by national culture. Additionally, Clarke found that a safety climate is related to an organization's safety record.

Organizational culture is reflected in the way people perform tasks, set objectives, and administer the necessary resources to achieve objectives. Culture affects the way individuals make decisions, feel, and act in response to the opportunities and threats affecting the organization.

Adkins and Caldwell found that job satisfaction was positively associated with the degree to which employees fit into both the overall culture and subculture in which they worked. A perceived mismatch of the organization's culture and what employees felt the culture should be is related to a number of negative consequences including lower job satisfaction, higher job strain, general stress, and turnover intent.

It has been proposed that organizational culture may affect the level of employee creativity, the strength of employee motivation, and the reporting of unethical behavior, but more research is needed to support these conclusions.

Organizational culture also affects recruitment and retention. Individuals tend to be attracted to and remain engaged in organizations that they perceive to be compatible. Additionally, high turnover may be a mediating factor in the relationship between culture and organizational performance. Deteriorating company performance and an unhealthy work environment are signs of an overdue cultural assessment.

Change

When an organization does not possess a healthy culture or requires some kind of organizational culture change, the change process can be daunting. Organizational culture can hinder new change efforts, especially where employees know their expectations and the roles that they are supposed to play in the organization. This is corroborated by Mar (2016:1) who argues that 70% of all change efforts fail because of the culture of an organization's employees. One major reason why such change is difficult is that organizational cultures, and the organizational structures in which they are embedded, often reflect the "imprint" of earlier periods in a persistent way and exhibit remarkable levels of inertia. Culture change may be necessary to reduce employee turnover, influence employee behavior, make improvements to the company, refocus the company objectives and/or rescale the organization, provide better customer service, and/or achieve specific company goals and results. Culture change is affected by a number of elements, including the external environment and industry competitors, change in industry standards, technology changes, the size and nature of the workforce, and the organization's history and management.

There are a number of methodologies specifically dedicated to organizational culture change such as Peter Senge's *Fifth Discipline*. There are also a variety of psychological approaches that have been developed into a system for specific outcomes such as the *Fifth Discipline's* "learning organization" or *Directive Communication's* "corporate culture evolution." Ideas and strategies, on the other hand, seem to vary according to particular influences that affect culture.

Burman and Evans argue that it is 'leadership' that affects culture rather than 'management', and describe the difference. When one wants to change an aspect of the culture of an organization one has to keep in consideration that this is a long term project. Corporate culture is something that is very hard to change and employees need time to get used to the new way of organizing. For companies with a very strong and specific culture it will be even harder to change.

Prior to a cultural change initiative, a needs assessment is needed to identify and understand the current organizational culture. This can be done through employee surveys, interviews, focus groups, observation, customer surveys where appropriate, and other internal research, to further identify areas that require change. The company must then assess and clearly identify the new, desired culture, and then design a change process.

Cummings & Worley give the following six guidelines for cultural change, these changes are in line with the eight distinct stages mentioned by Kotter:

1. Formulate a clear strategic vision. In order to make a cultural change effective a clear vision of the firm's new strategy, shared values and behaviors is needed. This vision provides the intention and direction for the culture change.
2. Display top-management commitment (stage 4). It is very important to keep in mind that culture change must be managed from the top of the organization, as willingness to change of the senior management is an important indicator. The top of the organization should be very much in favor of the change in order to actually implement the change in the rest of the organization. De Caluwé & Vermaak provide a framework with five different ways of thinking about change.

3. Model culture change at the highest level (stage 5). In order to show that the management team is in favor of the change, the change has to be notable at first at this level. The behavior of the management needs to symbolize the kinds of values and behaviors that should be realized in the rest of the company. It is important that the management shows the strengths of the current culture as well; it must be made clear that the current organizational culture does not need radical changes, but just a few adjustments. This process may also include creating committees, employee task forces, value managers, or similar. Change agents are key in the process and key communicators of the new values. They should possess courage, flexibility, excellent interpersonal skills, knowledge of the company, and patience. As McCune puts it, these individuals should be catalysts, not dictators.
4. The fourth step is to modify the organization to support organizational change. This includes identifying what current systems, policies, procedures and rules need to be changed in order to align with the new values and desired culture. This may include a change to accountability systems, compensation, benefits and reward structures, and recruitment and retention programs to better align with the new values and to send a clear message to employees that the old system and culture are in the past.
5. Select and socialize newcomers and terminate deviants. A way to implement a culture is to connect it to organizational membership, people can be selected and terminated in terms of their fit with the new culture. Encouraging employee motivation and loyalty to the company is key and will also result in a healthy culture. The company and change managers should be able to articulate the connections between the desired behavior and how it will affect and improve the company's success, to further encourage buy-in in the change process. Training should be provided to all employees to understand the new processes, expectations and systems.
6. Develop ethical and legal sensitivity. Changes in culture can lead to tensions between organizational and individual interests, which can result in ethical and legal problems for practitioners. This is particularly relevant for changes in employee integrity, control, equitable treatment and job security. It is also beneficial, as part of the change process, to include an evaluation process, conducted periodically to monitor the change progress and identify areas that need further development. This step will also identify obstacles of change and resistant employees, and acknowledge and reward employee improvement, which will encourage continued change and involvement. It may also be helpful and necessary to incorporate new change managers to refresh the process. Outside consultants may also be useful in facilitating the change process and providing employee training. Change of culture in organizations is very important and inevitable. Cultural innovation is bound to be more difficult than cultural maintenance because it entails introducing something new and substantially different from what prevails in existing cultures. People often resist changes, hence it is the duty of management to convince people that likely gain will outweigh the losses. Besides institutionalization, deification is another process that tends to occur in strongly developed organizational cultures. The organization itself may come to be regarded as precious in itself, as a source of pride, and in some sense unique. The organization's members begin to feel a strong bond with it that transcends material returns, and they begin to identify with it. The organization turns into a sort of clan.

Mergers and Cultural Leadership

One of the biggest obstacles in the way of the merging of two organizations is organizational culture. Each organization has its own unique culture and most often, when brought together, these cultures clash. When mergers fail employees point to issues such as identity, communication problems, human resources problems, ego clashes, and inter-group conflicts, which all fall under the category of “cultural differences”.

One way to combat such difficulties is through cultural leadership. Organizational leaders must also be cultural leaders and help facilitate the change from the two old cultures into the one new culture. This is done through cultural innovation followed by cultural maintenance.

- Cultural innovation includes:
 - Creating a new culture: Recognizing past cultural differences and setting realistic expectations for change.
 - Changing the culture: Weakening and replacing the old cultures.
- Cultural maintenance includes:
 - Integrating the new culture: Reconciling the differences between the old cultures and the new one.
 - Embodying the new culture: Establishing, affirming, and keeping the new culture.

Corporate Subcultures

Corporate culture is the total sum of the values, customs, traditions, and meanings that make a company unique. Corporate culture is often called “the character of an organization”, since it embodies the vision of the company’s founders. The values of a corporate culture influence the ethical standards within a corporation, as well as managerial behavior.

Senior management may try to determine a *corporate culture*. They may wish to impose corporate values and standards of behavior that specifically reflect the objectives of the organization. In addition, there will also be an extant internal culture within the workforce. Work-groups within the organization have their own behavioral quirks and interactions which, to an extent, affect the whole system. Roger Harrison’s four-culture typology, and adapted by Charles Handy, suggests that unlike organizational culture, corporate culture can be ‘imported’. For example, computer technicians will have expertise, language and behaviors gained independently of the organization, but their presence can influence the culture of the organization as a whole.

Research and Models

Several methods have been used to classify organizational culture. While there is no single “type” of organizational culture and organizational cultures vary widely from one organization to the next, commonalities do exist and some researchers have developed models to describe different indicators of organizational cultures.

Hofstede

Hofstede looked for differences between over 160 000 IBM employees in 50 different countries and three regions of the world, in an attempt to find aspects of culture that might influence business behavior. He suggested things about cultural differences existing in regions and nations, and the importance of international awareness and multiculturalism for their own cultural introspection. Cultural differences reflect differences in thinking and social action, and even in “mental programs”, a term Hofstede uses for predictable behavior. Hofstede relates culture to ethnic and regional groups, but also organizations, professional, family, social and subcultural groups, national political systems and legislation, etc.

Hofstede suggests the need for changing “mental programs” with changing behavior first, which will lead to value change. Though certain groups like Jews and Gypsies have maintained their identity through centuries, their values show adaptation to the dominant cultural environment.

Hofstede demonstrated that there are national and regional cultural groupings that affect the behavior of organizations and identified four dimensions of culture (later five) in his study of national cultures:

- **Power distance:** Different societies find different solutions regarding social inequality. Although invisible, inside organizations power inequality of the “boss-subordinate relationships” is functional and according to Hofstede reflects the way inequality is addressed in the society. “According to Mulder’s Power Distance Reduction theory subordinates will try to reduce the power distance between themselves and their bosses and bosses will try to maintain or enlarge it”, but there is also a degree to which a society expects there to be differences in the levels of power. A high score suggests that there is an expectation that some individuals wield larger amounts of power than others. A low score reflects the view that all people should have equal rights.
- **Uncertainty avoidance** is the way of coping with uncertainty about the future. Society copes with it with technology, law and religion (though different societies have different ways of addressing it), and according to Hofstede organizations deal with it with technology, law and rituals, or in two ways – rational and non-rational, with rituals being the non-rational. Hofstede listed some of the rituals as the memos and reports, some parts of the accounting system, a large part of the planning and control systems, and the nomination of experts.
- **Individualism vs. collectivism:** disharmony of interests on personal and collective goals. Hofstede raises the idea that society’s expectations of Individualism/Collectivism will be reflected by the employee inside the organization. Collectivist societies will have more emotional dependence on members in their organizations; when in equilibrium an organization is expected to show responsibility to members. Extreme individualism is seen in the US. In fact, collectivism in the US is seen as “bad”. Other cultures and societies than the US will therefore seek to resolve social and organizational problems in ways different from American ways. Hofstede says that a capitalist market economy fosters individualism and competition, and depends on it, but individualism is also related to the development of the middle class. Some people and cultures might have both high individualism and high collectivism. For example, someone who highly values duty to his or her group does not necessarily give a low priority to personal freedom and self-sufficiency.

- Masculinity vs. femininity: Reflects whether a certain society is predominantly male or female in terms of cultural values, gender roles and power relations.
- Long- Versus Short-Term Orientation which he describes as “The long-term orientation dimension can be interpreted as dealing with society’s search for virtue. Societies with a short-term orientation generally have a strong concern with establishing the absolute Truth. They are normative in their thinking. They exhibit great respect for traditions, a relatively small propensity to save for the future, and a focus on achieving quick results. In societies with a long-term orientation, people believe that truth depends very much on situation, context and time. They show an ability to adapt traditions to changed conditions, a strong propensity to save and invest, thriftiness, and perseverance in achieving results.”

These dimensions refer to the effect of national cultures on management, and can be used to adapt policies to local needs. In a follow up study, another model is suggested for organizational culture.

O’Reilly, Chatman and Caldwell

Two common models and their associated measurement tools have been developed by O’Reilly *et al.* and Denison.

O’Reilly, Chatman & Caldwell developed a model based on the belief that cultures can be distinguished by values that are reinforced within organizations. Their Organizational Cultural Profile (OCP) is a self reporting tool which makes distinctions according eight categories – Innovation, Supportiveness, Stability, Respect for People, Outcome Orientation, Attention to Detail, Team Orientation, and Aggressiveness. The model is also suited to measure how organizational culture affects organizational performance, as it measures most efficient persons suited to an organization and as such organizations can be termed as having good organizational culture. Employee values are measured against organizational values to predict employee intentions to stay, and turnover. This is done through an instrument like Organizational Culture Profile (OCP) to measure employee commitment.

Daniel Denison

Daniel Denison’s model asserts that organizational culture can be described by four general dimensions – Mission, Adaptability, Involvement and Consistency. Each of these general dimensions is further described by the following three sub-dimensions:

- Mission: Strategic Direction and Intent, Goals and Objectives and Vision.
- Adaptability: Creating Change, Customer Focus and Organizational Learning.
- Involvement: Empowerment, Team Orientation and Capability Development.
- Consistency: Core Values, Agreement, Coordination/Integration.

Denison’s model also allows cultures to be described broadly as externally or internally focused as well as flexible versus stable. The model has been typically used to diagnose cultural problems in organizations.

Deal and Kennedy

Deal and Kennedy defined organizational culture as *the way things get done around here*.

Deal and Kennedy created a model of culture that is based on 4 different types of organizations. They each focus on how quickly the organization receives feedback, the way members are rewarded, and the level of risks taken:

1. **Work-hard, play-hard culture:** This has rapid feedback/reward and low risk resulting in: Stress coming from quantity of work rather than uncertainty. High-speed action leading to high-speed recreation. Examples: Restaurants, software companies.
2. **Tough-guy macho culture:** This has rapid feedback/reward and high risk, resulting in the following: Stress coming from high risk and potential loss/gain of reward. Focus on the present rather than the longer-term future. Examples: police, surgeons, sports.
3. **Process culture:** This has slow feedback/reward and low risk, resulting in the following: Low stress, plodding work, comfort and security. Stress that comes from internal politics and stupidity of the system. Development of bureaucracies and other ways of maintaining the status quo. Focus on security of the past and of the future. Examples: banks, insurance companies.
4. **Bet-the-company culture:** This has slow feedback/reward and high risk, resulting in the following: Stress coming from high risk and delay before knowing if actions have paid off. The long view is taken, but then much work is put into making sure things happen as planned. Examples: aircraft manufacturers, oil companies.

Edgar Schein

According to Schein, culture is the most difficult organizational attribute to change, outlasting organizational products, services, founders and leadership and all other physical attributes of the organization. His organizational model illuminates culture from the standpoint of the observer, described at three levels: *artifacts*, *espoused values* and *basic underlying assumptions*.

At the first and most cursory level of Schein's model is organizational attributes that can be seen, felt and heard by the uninitiated observer – collectively known as *artifacts*. Included are the facilities, offices, furnishings, visible awards and recognition, the way that its members dress, how each person visibly interacts with each other and with organizational outsiders, and even company slogans, mission statements and other operational creeds.

Artifacts comprise the physical components of the organization that relay cultural meaning. Daniel Denison describes artifacts as the tangible aspects of culture shared by members of an organization. Verbal, behavioral and physical artifacts are the surface manifestations of organizational culture.

Rituals, the collective interpersonal behavior and values as demonstrated by that behavior, constitute the fabric of an organization's culture. The contents of myths, stories, and sagas reveal the history of an organization and influence how people understand what their organization values and believes. Language, stories, and myths are examples of verbal artifacts and are represented in

rituals and ceremonies. Technology and art exhibited by members of an organization are examples of physical artifacts.

The next level deals with the professed culture of an organization's members – the *values*. Shared values are individuals' preferences regarding certain aspects of the organization's culture (e.g. loyalty, customer service). At this level, local and personal values are widely expressed within the organization. Basic beliefs and assumptions include individuals' impressions about the trustworthiness and supportiveness of an organization, and are often deeply ingrained within the organization's culture. Organizational behavior at this level usually can be studied by interviewing the organization's membership and using questionnaires to gather attitudes about organizational membership.

At the third and deepest level, the organization's tacit assumptions are found. These are the elements of culture that are unseen and not cognitively identified in everyday interactions between organizational members. Additionally, these are the elements of culture which are often taboo to discuss inside the organization. Many of these 'unspoken rules' exist without the conscious knowledge of the membership. Those with sufficient experience to understand this deepest level of organizational culture usually become acclimatized to its attributes over time, thus reinforcing the invisibility of their existence. Surveys and casual interviews with organizational members cannot draw out these attributes—rather much more in-depth means is required to first identify then understand organizational culture at this level. Notably, culture at this level is the underlying and driving element often missed by organizational behaviorists.

Using Schein's model, understanding paradoxical organizational behaviors becomes more apparent. For instance, an organization can profess highly aesthetic and moral standards at the second level of Schein's model while simultaneously displaying curiously opposing behavior at the third and deepest level of culture. Superficially, organizational rewards can imply one organizational norm but at the deepest level imply something completely different. This insight offers an understanding of the difficulty that organizational newcomers have in assimilating organizational culture and why it takes time to become acclimatized. It also explains why organizational change agents usually fail to achieve their goals: underlying tacit cultural norms are generally not understood before would-be change agents begin their actions. Merely understanding culture at the deepest level may be insufficient to institute cultural change because the dynamics of interpersonal relationships (often under threatening conditions) are added to the dynamics of organizational culture while attempts are made to institute desired change.

According to Schein, the two main reasons why cultures develop in organizations is due to external adaptation and internal integration. External adaptation reflects an evolutionary approach to organizational culture and suggests that cultures develop and persist because they help an organization to survive and flourish. If the culture is valuable, then it holds the potential for generating sustained competitive advantages. Additionally, internal integration is an important function since social structures are required for organizations to exist. Organizational practices are learned through socialization at the workplace. Work environments reinforce culture on a daily basis by encouraging employees to exercise cultural values. Organizational culture is shaped by multiple factors, including the following:

- External environment,
- Industry,

- Size and nature of the organization's workforce,
- Technologies the organization uses,
- The organization's history and ownership.

Gerry Johnson

Gerry Johnson described a cultural web, identifying a number of elements that can be used to describe or influence organizational culture:

- The paradigm: What the organization is about, what it does, its mission, its values.
- Control systems: The processes in place to monitor what is going on. Role cultures would have vast rule-books. There would be more reliance on individualism in a power culture.
- Organizational structures: Reporting lines, hierarchies, and the way that work flows through the business.
- Power structures: Who makes the decisions, how widely spread is power, and on what is power based?
- Symbols: These include organizational logos and designs, but also extend to symbols of power such as parking spaces and executive washrooms.
- Rituals and routines: Management meetings, board reports and so on may become more habitual than necessary.
- Stories and myths: build up about people and events, and convey a message about what is valued within the organization.

These elements may overlap. Power structures may depend on control systems, which may exploit the very rituals that generate stories which may not be true.

Stanley G. Harris

Schemata (plural of schema) are knowledge structures a person forms from past experiences, allowing the person to respond to similar events more efficiently in the future by guiding the processing of information. A person's schemata are created through interaction with others, and thus inherently involve communication.

Stanley G. Harris argues that five categories of in-organization schemata are necessary for organizational culture:

1. Self-in-organization schemata: A person's concept of oneself within the context of the organization, including her/his personality, roles, and behavior.
2. Person-in-organization schemata: A person's memories, impressions, and expectations of other individuals within the organization.
3. Organization schemata: A subset of person schemata, a person's generalized perspective on others as a whole in the organization.

4. Object/concept-in-organization schemata: Knowledge an individual has of organization aspects other than of other persons.
5. Event-in-organization schemata: A person's knowledge of social events within an organization.

All of these categories together represent a person's knowledge of an organization. Organizational culture is created when the schematas (schematic structures) of differing individuals across and within an organization come to resemble each other (when any one person's schemata come to resemble another person's schemata because of mutual organizational involvement), primarily done through organizational communication, as individuals directly or indirectly share knowledge and meanings.

Charles Handy

Charles Handy, popularized Roger Harrison with linking organizational structure to organizational culture. The described four types of culture are:

1. Power culture: Concentrates power among a small group or a central figure and its control is radiating from its center like a web. Power cultures need only a few rules and little bureaucracy but swift in decisions can ensue.
2. Role culture: Authorities are delegated as such within a highly defined structure. These organizations form hierarchical bureaucracies, where power derives from the personal position and rarely from an expert power. Control is made by procedures (which are highly valued), strict roles descriptions and authority definitions. These organizations have consistent systems and are very predictable. This culture is often represented by a "Roman Building" having pillars. These pillars represent the functional departments.
3. Task culture: Teams are formed to solve particular problems. Power is derived from the team with the expertise to execute against a task. This culture uses a small team approach, where people are highly skilled and specialized in their own area of expertise. Additionally, these cultures often feature the multiple reporting lines seen in a matrix structure.
4. Person culture: Formed where all individuals believe themselves superior to the organization. It can become difficult for such organizations to continue to operate, since the concept of an organization suggests that a group of like-minded individuals pursue organizational goals. However some professional partnerships operate well as person cultures, because each partner brings a particular expertise and clientele to the firm.

Kim Cameron and Robert Quinn

Kim Cameron and Robert Quinn conducted research on organizational effectiveness and success. Based on the Competing Values Framework, they developed the Organizational Culture Assessment Instrument that distinguishes four culture types.

Competing values produce polarities like flexibility vs. stability and internal vs. external focus – these two polarities were found to be most important in defining organizational success. The polarities construct a quadrant with four types of culture.

- Clan culture (internal focus and flexible): A friendly workplace where leaders act like father figures.
- Adhocracy culture (external focus and flexible): A dynamic workplace with leaders that stimulate innovation.
- Market culture (external focus and controlled): A competitive workplace with leaders like hard drivers.
- Hierarchy culture (internal focus and controlled): A structured and formalized workplace where leaders act like coordinators.

Cameron and Quinn designated six characteristics of organizational culture that can be assessed with the Organizational Culture Assessment Instrument (OCAI).

Clan cultures are most strongly associated with positive employee attitudes and product and service quality. Market cultures are most strongly related with innovation and financial effectiveness criteria. The primary belief in market cultures that clear goals and contingent rewards motivate employees to aggressively perform and meet stakeholders' expectations; a core belief in clan cultures is that the organization's trust in and commitment to employees facilitates open communication and employee involvement. These differing results suggest that it is important for executive leaders to consider the match between strategic initiatives and organizational culture when determining how to embed a culture that produces competitive advantage. By assessing the current organizational culture as well as the preferred situation, the gap and direction to change can be made visible as a first step to changing organizational culture.

Robert A. Cooke

Robert A. Cooke defines culture as the behaviors that members believe are required to fit in and meet expectations within their organization. The Organizational Culture Inventory measures twelve behavioral norms that are grouped into three general types of cultures:

- Constructive cultures: In which members are encouraged to interact with people and approach tasks in ways that help them meet their higher-order satisfaction needs.
- Passive/defensive cultures: In which members believe they must interact with people in ways that will not threaten their own security.
- Aggressive/defensive cultures: In which members are expected to approach tasks in forceful ways to protect their status and security.

Constructive Cultures

In constructive cultures, people are encouraged to be in communication with their co-workers, and work as teams, rather than only as individuals. In positions where people do a complex job, rather than something simple like a mechanical task, this culture is efficient.

- Achievement: Completing a task successfully, typically by effort, courage, or skill (pursue a standard of excellence) (explore alternatives before acting) – Based on the need to attain high-quality results on challenging projects, the belief that outcomes are linked to one's

effort rather than chance and the tendency to personally set challenging yet realistic goals. People high in this style think ahead and plan, explore alternatives before acting and learn from their mistakes.

- **Self-actualizing:** Realization or fulfillment of one's talents and potentialities – considered as a drive or need present in everyone (think in unique and independent ways) (do even simple tasks well) – Based on needs for personal growth, self-fulfillment and the realization of one's potential. People with this style demonstrate a strong desire to learn and experience things, creative yet realistic thinking and a balanced concern for people and tasks.
- **Humanistic-encouraging:** Help others to grow and develop (resolve conflicts constructively) – Reflects an interest in the growth and development of people, a high positive regard for them and sensitivity to their needs. People high in this style devote energy to coaching and counselling others, are thoughtful and considerate and provide people with support and encouragement.
- **Affiliative:** Treat people as more valuable than things (cooperate with others) – Reflects an interest in developing and sustaining pleasant relationships. People high in this style share their thoughts and feelings, are friendly and cooperative and make others feel a part of things.

Organizations with constructive cultures encourage members to work to their full potential, resulting in high levels of motivation, satisfaction, teamwork, service quality, and sales growth. Constructive norms are evident in environments where quality is valued over quantity, creativity is valued over conformity, cooperation is believed to lead to better results than competition, and effectiveness is judged at the system level rather than the component level. These types of cultural norms are consistent with (and supportive of) the objectives behind empowerment, total quality management, transformational leadership, continuous improvement, re-engineering, and learning organizations.

Passive/Defensive Cultures

Norms that reflect expectations for members to interact with people in ways that will not threaten their own security are in the Passive/Defensive Cluster.

The four Passive/Defensive cultural norms are:

- Approval
- Conventional
- Dependent
- Avoidance

In organizations with Passive/Defensive cultures, members feel pressured to think and behave in ways that are inconsistent with the way they believe they should in order to be effective. People are expected to please others (particularly superiors) and avoid interpersonal conflict. Rules, procedures, and orders are more important than personal beliefs, ideas, and judgment. Passive/Defensive cultures experience a lot of unresolved conflict and turnover, and organizational members report lower levels of motivation and satisfaction.

Aggressive/Defensive Cultures

This style is characterized with more emphasis on task than people. Because of the very nature of this style, people tend to focus on their own individual needs at the expense of the success of the group. The aggressive/defensive style is very stressful, and people using this style tend to make decisions based on status as opposed to expertise.

1. **Oppositional:** This cultural norm is based on the idea that a need for security that takes the form of being very critical and cynical at times. People who use this style are more likely to question others work; however, asking those tough question often leads to a better product. Nonetheless, those who use this style may be overly-critical toward others, using irrelevant or trivial flaws to put others down.
2. **Power:** This cultural norm is based on the idea that there is a need for prestige and influence. Those who use this style often equate their own self-worth with controlling others. Those who use this style have a tendency to dictate others opposing to guiding others' actions.
3. **Competitive:** This cultural norm is based on the idea of a need to protect one's status. Those who use this style protect their own status by comparing themselves to other individuals and outperforming them. Those who use this style are seekers of appraisal and recognition from others.
4. **Perfectionistic:** This cultural norm is based on the need to attain flawless results. Those who often use this style equate their self-worth with the attainment of extremely high standards. Those who often use this style are always focused on details and place excessive demands on themselves and others.

Organizations with aggressive/defensive cultures encourage or require members to appear competent, controlled, and superior. Members who seek assistance, admit shortcomings, or concede their position are viewed as incompetent or weak. These organizations emphasize finding errors, weeding out "mistakes" and encouraging members to compete against each other rather than competitors. The short-term gains associated with these strategies are often at the expense of long-term growth.

Adam Grant

Adam Grant, distinguishes organizational cultures into *giver*, *taker* and *matcher* cultures according to their norms of reciprocity. In a giver culture, employees operate by "helping others, sharing knowledge, offering mentoring, and making connections without expecting anything in return", whereas in a taker culture "the norm is to get as much as possible from others while contributing less in return" and winners are those who take the most and are able to build their power at the expense of others. The majority of organizations are mid-way, with a *matcher culture*, in which the norm is to match giving with taking, and favours are mostly traded in closed loops.

In a study by Harvard researchers on units of the US intelligence system, a giver culture turned out to be the strongest predictor of group effectiveness.

As Grant points out, Robert H. Frank argues that "many organizations are essentially winner-take-all markets, dominated by zero-sum competitions for rewards and promotions". In particular,

when leaders implement forced ranking systems to reward individual performance, the organisational culture tends to change, with a giver culture giving way to a taker or matcher culture. Also awarding the highest-performing individual within each team encourages a taker culture.

Stephen McGuire

Stephen McGuire defined and validated a model of organizational culture that predicts revenue from new sources. An Entrepreneurial Organizational Culture (EOC) is a system of shared values, beliefs and norms of members of an organization, including valuing creativity and tolerance of creative people, believing that innovating and seizing market opportunities are appropriate behaviors to deal with problems of survival and prosperity, environmental uncertainty, and competitors' threats, and expecting organizational members to behave accordingly.

Elements

- People and empowerment focused.
- Value creation through innovation and change.
- Attention to the basics.
- Hands-on management.
- Doing the right thing.
- Freedom to grow and to fail.
- Commitment and personal responsibility.
- Emphasis on the future.

Eric Flamholtz

Eric Flamholtz has identified and validated a model of organizational culture components that drive financial results. The model consist of five identified dimensions of corporate culture: 1) treatment of customers, 2) treatment of people, 3) performance standards and accountability, 4) innovation and change, and 5) process orientation. These five dimensions have been confirmed by factor analysis in addition, Flamholtz has published empirical research that show the impact of organizational culture on financial performance. Flamholtz has also proposed that organizational (corporate) culture is not just an asset in the economic sense; but is also an “asset” in the conventional accounting sense. Flamholtz and Randle have also examined the evolution of organizational culture at different stages of organizational growth.

Ethical Frameworks and Evaluations of Corporate Culture

Four organizational cultures can be classified as apathetic, caring, exacting, and integrative:

- An apathetic culture shows minimal concern for either people or performance.
- A caring culture exhibits high concern for people but minimal concern for performance issues.

- An exacting culture shows little concern for people but a high concern for performance.
- An integrative culture combines a high concern for people and performance.

A cultural audit is an assessment of an organization's values.

ORGANIZATIONAL ENVIRONMENT

Organizational environments are composed of forces or institutions surrounding an organization that affect performance, operations, and resources. It includes all of the elements that exist outside of the organization's boundaries and have the potential to affect a portion or all of the organization. Examples include government regulatory agencies, competitors, customers, suppliers, and pressure from the public.

Before the discussion about the types of organizational environment. Organizational environment is a dynamic and changeable thing. This change appears frequently. Every move stands the challenges. It is highly essential for leaders and managers. And it increases the attentive about the environmental changes. Each organization constitutes its environment, whether business or non-business. The organizational environment comprises its surroundings things. These affect its activities, operations, and steps favourably or unfavourably.

Environment hugs a lot of features like economic conditions, political situations, and images. The environmental forces – abstracts and visible – need careful analysis. The adequate and systematic review creates information compulsory for making judgments about the strategy. Managers cannot establish a sound and relevant strategy based on their instincts and guesses. They must use the appropriate information. From the analysis of their organizational environment, this information directly flows. However, there are discussed about the organizational environmental influences. And also types of organizational environment.

Understanding Organizational Environmental Influence

Before the discussion about the types of organizational environment, understanding the organizational environmental influence is also important. Business managers must understand the various facets of the impacts of the external environment. They need to recognize that the external environment has many aspects. On the operations of a firm, they have a significant effect. They need to undertake the analysis of environment regularly. It is particularly crucial for the reason. It developments or changes in the remote environment influence the business organizations. They also need to understand the influences of changes in the industry environment. In several ways, managers benefit when they have an appreciation and understanding of the impact of organizational environmental factors on business. Such as:-

- Knowledge of the types of organizational environment helps managers identify the direction to which they should proceed. They will travel along with a distinct way of changing course, wherever necessary. Without an understanding of the environment, managers are like a bicycle without a handlebar – no way of maneuvering while riding on a street.

- Managers can prepare to deal with the foreseen crisis in any of the issues in the environment. They can enrich crisis strategies for overwhelming crises that impact the organization.
- Exclusively in the external environment of the types of organizational environment, managers can separate those issues which are of precise interest to the organization.

The key to achieving organizational effectiveness is understanding of the environment in which the firm operates its business. Lack of knowledge is very likely to lead managers to uselessness because of ‘running on the incorrect road for getting the goal’.

There is tried to understand the organizational environmental influence of strategic management. Now, we have to go to the main point as the types of organizational environment.

Types of Organizational Environment

We can classify the organizational environment into two broad categories. External and internal are the types of organizational environment. These are:-

- External Environment
- Internal Environment



External Environment

The first one is an external environment of the types of organizational development. An organization's operations are affected by both types of organizational environment. Therefore, the managers need to clear analyzing of the features of the environments. As a result, they can enrich in themselves a consideration of the internal situation and external situations. Based on their understanding, they will be better able to set the required objectives for their organizations. Additionally, they formulate appropriate strategies to achieve those objectives.

Through an organization's external factors is consisted of the external environment that affects its businesses indirectly. The external environmental factors reside outside the organization, which can lead to threats or opportunities. For the available analysis of the types of organizational environment, the external environmental factors are also divided into two types. Such as:

- General Environment or remote environment and also.
- Industry Environment or Immediate operating environment.

In the types of organizational environment, the strategy-creators must recognize the complexities and challenges of both the fundamental environmental aspects and the instant driving environmental factors. They should appreciate that the unknown environmental factors are widely overpowering as a consequence of their distantly located external environment.

Nevertheless, they can assume appropriate strategies to deal with these factors, usually collectively with other actors in the industry, to reduce the intensity of their impact on the businesses. Alternatively, the operating environmental factors are the immediate competitive circumstances of a company. These often regard as 'specific environment' or 'task environment'. These factors make the competitive environment of a company. When strategists take into cognizance of both the remote and operating environments, they can become more proactive in the following discussions. You will find a full description of the global environment, staying the types of organizational environment.

Internal Environment

The internal environment is the second of the types of organizational environment. The internal environment of an organization consists of the conditions and forces that exist within the organization. Internal environment portrays an organization's 'in-house' situations. An organization has full control over these situations. Dissimilar to the external environment, the internal environment is much more straight manageable. For the available analysis of the types of organizational environment, the internal environmental factors are also divided into several types. It comprises many internal factors of the organization. Such as:

- Resources of the Organization.
- Owners or Shareholders or Stockholders.
- Board of Directors.
- The culture of Organization.
- Image or Goodwill of Organization and so on.

These are the types of organizational environment.

Workplace Deviance

Workplace deviance, in group psychology, may be described as the deliberate (or intentional) desire to cause harm to an organization – more specifically, a workplace. The concept has become an instrumental component in the field of organizational communication. More accurately, it can be seen as “voluntary behavior that violates institutionalized norms and in doing so threatens the well-being of the organization”.

Reasons

Psychological Contract

Employees often create a set of expectations about their workplace; people tend to make psychological contracts with their organizations. When his or her expectations are not met, the employee

may “perceive a psychological contract breach by their employers”. This “breach” of the psychological contract then presents potential problems, particularly in the workplace.

Workplace deviance may arise from the worker’s perception that their organization has mistreated him or her in some manner. Employees then resort to misbehaving (or acting out) as a means of avenging their organization for the perceived wrongdoing. Workplace deviance may be viewed as a form of negative reciprocity. “A negative reciprocity orientation is the tendency for an individual to return negative treatment for negative treatment”. In other words, the maxim “an eye for an eye” is a concept that some employees strongly feel is a suitable approach to their problem. However, what is critical in understanding employee deviance is that the employee perceives being wronged, whether or not mistreatment actually occurred.

Abusive Supervision

Workplace deviance is also closely related to abusive supervision. Abusive supervision is defined as the “subordinates’ perceptions of the extent to which their supervisors engage in the sustained display of hostile verbal and nonverbal behaviors”. This could be when supervisors ridicule their employees, give them the silent treatment, remind them of past failures, fail to give proper credit, wrongfully assign blame or blow up in fits of temper. It may seem like employees who are abused by their supervisor will either directly retaliate or withdraw by quitting the job but in reality many strike out against their employer by engaging in organizational deviant behaviors. Since employees control many of the organization’s resources, they often use, or abuse anything they can. This abuse of resources may come in the form of time, office supplies, raw materials, finished products or the services that they provide. This usually occurs in two steps. First step is that commitment is destroyed and employees stop caring about the welfare of the employer. The second step is that the abused employee will get approval (normally implied) of their coworkers to commit deviant acts.

Workplace experiences may fuel the worker to act out. Research has been conducted demonstrating that the perception of not being respected is one of the main causes for workplace deviance; workplace dissatisfaction is also a factor. “Dissatisfaction results in a higher incidence of minor offenses, but does not necessarily lead to severe offense”. An employee who is less satisfied with his or her work may become less productive as their needs are not met. In the workplace, “frustration, injustices and threats to self are primary antecedents to employee deviance”. Although workplace deviance does occur, the behavior is not universal. There are two preventive measures that business owners can use to protect themselves. The first is strengthening the employee’s commitment by reacting strongly to abusive supervision so that the employee knows that the behavior is not accepted. Holding the employee at high esteem by reminding them of their importance, or setting up programs that communicate concern for the employee may also strengthen employee commitment. Providing a positive ethical climate can also help. Employers can do this by having a clear code of conduct that is applied to both managers and employees alike.

Types

Workplace deviance may be expressed in various ways. Employees can engage in minor, extreme, nonviolent or violent behavior, which ultimately leads to an organization’s decline in productivity.

Interpersonal and organizational deviance are two forms of workplace deviance which are directed differently; however, both cause harm to an organization.

Interpersonal Deviance

Interpersonal deviance can occur when misconduct “targets specific stakeholders such as coworkers”. Behavior falling within this subgroup of employee deviance includes gossiping about coworkers and assigning blame to them. These minor (but unhealthy) behaviors, directed at others, are believed to occur as some employees perceive “a sense of entitlement often associated with exploitation”. In other words, they feel the need to misbehave in ways that will benefit them.

Organizational Deviance

Deviant behavior typically aimed directly at the organization is often referred to as organizational deviance. Organizational deviance encompasses production and property deviance. Workplace-deviant behavior may be expressed as tardiness or excessive absenteeism. These behaviors have been cited by some researchers as “withdrawal behaviors such behaviors allow employees to withdraw physically and emotionally from the organization”.

Silence

Employee silence is also considered a deviant behavior in the workplace, falling into the realms of both interpersonal and organizational deviance. Silence becomes employee deviance when “an employee intentionally or unintentionally withholds any kind of information that might be useful to the organization”. The problem occurs if an employee fails to disclose important information, which detrimentally affects the effectiveness of the organization due to poor communication.

Coworker Backstabbing

Coworker backstabbing occurs to some degree in many workplaces. It consists of an employee’s doing something to another employee to get a “leg up” on the other employee. Strategies used for backstabbing include dishonesty, blame (or false accusation), discrediting others and taking credit for another’s work. Motives for backstabbing include disregarding others’ rights in favor of one’s own gain, self-image management, revenge, jealousy, and personal reasons.

Cyber Loafing

A novel form of workplace deviance has emerged in recent years, as technology becomes a bigger part of people’s work lives. Internet workplace deviance (or “cyber loafing”) has become another way for employees to avoid the tasks at hand. This includes surfing the web and doing non-work-related tasks on the internet such as chatting on social-networking sites, online shopping and other activities.

Production Deviance

All behaviors in which deviant employees partake ultimately have a negative impact on the overall productivity of the organization. For this reason, all are considered production deviance.

Production deviance is “behavior that violates formally prescribed organizational norms with respect to minimal quality and quantity of work to be accomplished as part of one’s job”.

Property Deviance

More serious cases of deviant behavior harmful to an organization concern property deviance. Property deviance is “where employees either damage or acquire tangible assets without authorization”. This type of deviance typically involves theft but may include “sabotage, intentional errors in work, misusing expense accounts”, among other examples.

Other Types

Deviant behavior can be much more extreme, involving sexual harassment and even violence. All these deviant behaviors create problems for the organization. It is costly for an organization to pay employees who are not working efficiently.

Reducing Workplace Deviance

The relationships employees have with their organization are crucial, as they can play an important role in the development of workplace deviance. Employees who perceive their organization or supervisors as more caring (or supportive) have been shown to have a reduced incidence of workplace-deviant behaviors. Supervisors, managers and organizations are aware of this, and “assess their own behaviors and interactions with their employees and understand while they may not intend to abuse their employees they may be perceived as doing so”.

Organizational justice and the organizational climate are also critical, since the quality of the work experience can impact employee behavior in the workplace. Organizational justice may be organized into three subcategories: procedural, distributive and interactional justice.

- Procedural justice is concerned with how the decision-making process was made.
- Distributive justice, on the other hand, considers the actual decision.
- Interactional justice involves the interpersonal relationship and sense of fairness which employees have with supervisors and other authority figures within the organization.

Research indicates that procedural justice (combined with interactional justice) is beneficial in reducing workplace-deviant behavior. Employees who are consulted (and given an opportunity to be involved in the decision-making processes at their organization) are less likely to act out, since their voices are valued.

Workplace deviance is a phenomenon which occurs frequently within an organization. Ultimately, it is the managers’ and the organization’s responsibility to uphold the norms to which the organization wishes to adhere; it is the organization’s job to create an ethical climate. If organizations have authority figures who demonstrate their ethical values, a healthier workplace environment is created. “Research has suggested that managers’ behavior influences employee ethical decision-making”. Employees who perceive themselves as being treated respectfully and valued are those less likely to engage in workplace deviance.

Workplace Bullying

Workplace bullying is a persistent pattern of mistreatment from others in the workplace that causes either physical or emotional harm. It can include such tactics as verbal, nonverbal, psychological, physical abuse and humiliation. This type of workplace aggression is particularly difficult because, unlike the typical school bully, workplace bullies often operate within the established rules and policies of their organization and their society. In the majority of cases, bullying in the workplace is reported as having been by someone who has authority over their victim. However, bullies can also be peers, and occasionally subordinates.

Research has also investigated the impact of the larger organizational context on bullying as well as the group-level processes that impact on the incidence and maintenance of bullying behaviour. Bullying can be covert or overt. It may be missed by superiors; it may be known by many throughout the organization. Negative effects are not limited to the targeted individuals, and may lead to a decline in employee morale and a change in organizational culture. It can also take place as overbearing supervision, constant criticism, and blocking promotions.

Because it can occur in a variety of contexts and forms, it is also useful to define workplace bullying by the key features that these behaviours possess. Bullying is characterized by:

- Repetition (occurs regularly).
- Duration (is enduring).
- Escalation (increasing aggression).
- Power disparity (the target lacks the power to successfully defend themselves).
- Attributed intent.

This distinguishes bullying from isolated behaviours and other forms of job stress and allows the term workplace bullying to be applied in various contexts and to behaviours that meet these characteristics. Many observers agree that bullying is often a repetitive behaviour. However, some experts who have dealt with a great many people who report abuse also categorize some once-only events as bullying, for example with cases where there appear to be severe sequelae. Expanding the common understanding of bullying to include single, severe episodes also parallels the legal definitions of sexual harassment in the US.

The lack of unifying language to name the phenomenon of workplace bullying is a problem because without a unifying term or phrase, individuals have difficulty naming their experiences of abuse, and therefore have trouble pursuing justice against the bully. Unlike sexual harassment, which named a specific problem and is now recognized in law of many countries (including U.S.), workplace bullying is still being established as a relevant social problem and is in need of a specific vernacular.

Euphemisms intended to trivialize bullying and its impact on bullied people include: incivility, disrespect, difficult people, personality conflict, negative conduct, and ill treatment. Bullied people are labelled as insubordinate when they resist the bullying treatment.

There is no exact definition for bullying behaviours in workplace, which is why different terms and definitions are common. For example, mobbing is a commonly used term in France and Germany,

where it refers to a “mob” of bullies, rather than a single bully; this phenomenon is not often seen in other countries. In the United States, aggression and emotional abuse are frequently used terms, whereas harassment is the term preferred in Finland. Workplace bullying is primarily used in Australia, UK, and Northern Europe.

Statistics

Bosses are the most common bullies. In fact, approximately 72% of bullies outrank their victims.

Prevalence

Research suggests that a significant number of people are exposed to persistent workplace bullying, with a majority of studies reporting a 10 to 15% prevalence in Europe and North America. This figure can vary dramatically upon what definition of workplace bullying is used.

Statistics from the 2007 WBI-Zogby survey show that 13% of U.S. employees report being bullied currently, 24% say they have been bullied in the past and an additional 12% say they have witnessed workplace bullying. Nearly half of all American workers (49%) report that they have been affected by workplace bullying, either being a target themselves or having witnessed abusive behaviour against a co-worker.

Although socioeconomic factors may play a role in the abuse, researchers from the Project for Wellness and Work-Life suggest that “workplace bullying, by definition, is not explicitly connected to demographic markers such as sex and ethnicity”. Because one in ten employees experiences workplace bullying, the prevalence of this issue is cause for great concern, even as initial data about this issue are reviewed.

According to the 2015 National Health Interview Survey Occupational Health Supplement (NHIS-OHS), the national prevalence rate for workers reporting having been threatened, bullied, or harassed by anyone on the job was 7.4%.

In 2008, Dr. Judy Fisher-Blando wrote a doctoral research dissertation on *Aggressive behaviour: Workplace Bullying and Its Effect on Job Satisfaction and Productivity*. The scientific study determined that almost 75% of employees surveyed had been affected by workplace bullying, whether as a target or a witness. Further research showed the types of bullying behaviour, and organizational support.

Gender

In terms of gender, the Workplace Bullying Institute states that women appear to be at greater risk of becoming a bullying target, as 57% of those who reported being targeted for abuse were women. Men are more likely to participate in aggressive bullying behaviour (60%), however when the bully is a woman her target is more likely to be a woman as well (71%).

In 2015, the National Health Interview Survey found a higher prevalence of women (8%) workers who were threatened, bullied, or harassed than men.

In the research of Samnani and Singh, it concludes the findings from previous 20 years’ literature and claims that in terms of the gender factor, inconsistent findings could not support the differences across gender.

Race

Race also may play a role in the experience of workplace bullying. According to the Workplace Bullying Institute, the comparison of reported combined bullying (current + ever bullied) prevalence percentages in the USA reveals the pattern from most to least:

1. Hispanics (52.1%)
2. Blacks (46%)
3. Whites (33.5%)
4. Asian (30.6%)

The reported rates of witnessing bullying were:

1. Asian (28.5%)
2. Blacks (21.1%)
3. Hispanics (14%)
4. Whites (10.8%)

The percentages of those reporting that they have neither experienced nor witnessed mistreatment were:

1. Asians (57.3%)
2. Whites (49.7%)
3. Hispanics (32.2%)
4. Blacks (23.4%)

Marital Status

Higher prevalence rates for experiencing a hostile work environment were identified for divorced or separated workers compared to married workers, widowed workers, and never married workers.

Education

Higher prevalence rates for experiencing a hostile work environment were identified for workers with some college education or workers with high school diploma or GED, compared to workers with less than a high school education.

Age

Lower prevalence rates for experiencing a hostile work environment were identified for workers aged 65 and older compared to workers in other age groups.

With respect to age, conflicting findings have been reported. A study indicates older employees tend to be more likely to be bullied than younger ones.

Industry

The prevalence of a hostile work environment varies by industry. In 2015, the broad industry category with the highest prevalence was healthcare and social assistance 10%. According to the Bureau of Labor Statistics, 16,890 workers in the private industry experienced physical trauma from nonfatal workplace violence in 2016.

Occupation

The prevalence of hostile work environment varies by occupation. In 2015, the occupation groups with the highest prevalence was protective services (24%) and community and social services (15%).

Profiling

Researchers Caitlin Buon and Tony Buon have suggested that attempts to profile 'the bully' have been damaging. They state that the "bully" profile is that 'the bully' is always aware of what they are doing, deliberately sets out to harm their 'victims', targets a particular individual or type of person and has some kind of underlying personality flaw, insecurity or disorder. But this is unproven and lacks evidence. The researchers suggest referring to workplace bullying as generic harassment along with other forms of non-specific harassment and this would enable employees to use less emotionally charged language and start a dialogue about their experiences rather than being repelled by the spectre of being labelled as a pathological predator or having to define their experiences as the victims of such a person. Tony Buon and Caitlin Buon also suggest that the perception and profile of the workplace bully is not facilitating interventions with the problem. They suggest that to make significant progress and achieve behaviour change over the long term then, organisations and individuals need to embrace the notion that everyone must all potentially house 'the bully' within them and their organisations. It exists in workplace cultures, belief systems, interactions and emotional competencies and cannot be transformed if externalization and demonization continue the problem by profiling 'the bully' rather than talking about behaviours and interpersonal interactions.

Relationship among Participants

Based on research by H. Hoel and C.L. Cooper, most the perpetrators are supervisors. The second most common group is peers, followed by subordinates and customers. The three main relationships among the participants in workplace bullying:

- Between supervisor and subordinate.
- Among co-workers.
- Employees and customers.

Bullying may also occur between an organization and its employees.

Bullying behaviour by supervisors toward subordinates typically manifests as an abuse of power by the supervisor in the workplace. Bullying behaviours by supervisors may be associated with a culture of bullying and the management style of the supervisors. An authoritative management style, specifically, often includes bullying behaviours, which can make subordinates fearful and allow supervisors to bolster their authority over others.

On the other hand, some researchers suggest that bullying behaviours can be a positive force for performance in the workplace. Workplace bullying may contribute to organizational power and control.

However, if an organization wishes to discourage bullying in the workplace, strategies and policies must be put into place to dissuade and counter bullying behavior. Lack of monitoring or of punishment/corrective action will result in an organizational culture that supports/tolerates bullying.

In addition to supervisor – subordinate bullying, bullying behaviours also occur between colleagues. Peers can be either the target or perpetrator. If workplace bullying happens among the co-workers, witnesses will typically choose sides, either with the target or the perpetrator. Perpetrators usually “win” since witnesses do not want to be the next target. This outcome encourages perpetrators to continue their bullying behaviour. In addition, the sense of the injustice experienced by a target might lead that person to become another perpetrator who bullies other colleagues who have less power than they do, thereby proliferating bullying in the organization.

Maarit Varitia, a workplace bullying researcher, found that 20% of interviewees who experienced workplace bullying attributed their being targeted to their differences from others.

The third relationship in the workplace is between employees and customers. Although less frequent, such cases play a significant role in the efficiency of the organization. Overly stressed or distressed employees may be less able to perform optimally and can impact the quality of service overall.

The fourth relationship in the workplace is between the organization or system and its employees.

These cases, the issue is not simply an organizational culture or environmental factors facilitating bullying, but bullying-like behaviour by an employer against an employee. Tremendous power imbalances between an organization and its employees enables the employer to “legitimately exercise” power (e.g., by monitoring and controlling employees) in a manner consistent with bullying.

Although the terminology of bullying traditionally implies an interpersonal relationship between the perpetrator and target, organizations’ or other collectives’ actions can constitute bullying both by definition and in their impacts on targets. However, while defining bullying as an interpersonal phenomenon is considered legitimate, classifying incidences of employer exploitation, retaliation, or other abuses of power against an employee as a form of bullying is often not taken as seriously.

Organizational Culture

Bullying is seen to be prevalent in organizations where employees and managers feel that they have the support, or at least the implicit blessing of senior managers to carry on their abusive and bullying behaviour. Furthermore, new managers will quickly come to view this form of behaviour as acceptable and normal if they see others get away with it and are even rewarded for it.

When bullying happens at the highest levels, the effects may be far reaching. People may be bullied irrespective of their organizational status or rank, including senior managers, which indicates the

possibility of a negative domino effect, where bullying may cascade downwards, as the targeted supervisors might offload their own aggression onto their subordinates. In such situations, a bullying scenario in the boardroom may actually threaten the productivity of the entire organisation.

Geographical Culture

Research investigating the acceptability of the bullying behaviour across different cultures clearly shows that culture affects the perception of the acceptable behaviour. National background also influences the prevalence of workplace bullying.

Humane orientation is negatively associated with the acceptability of work-related bullying. Performance orientation is positively associated with the acceptance of bullying. Future orientation is negatively associated with the acceptability of bullying. A culture of femininity suggests that individuals who live and work in this kind of culture tend to value interpersonal relationships to a greater degree.

Three broad dimensions have been mentioned in relation to workplace bullying: Power distance; masculinity versus femininity; and individualism versus collectivism.

In Confucian Asia, which has a higher performance orientation than Latin America and Sub-Saharan Africa, bullying may be seen as an acceptable price to pay for performance. The value Latin America holds for personal connections with employees and the higher humane orientation of Sub-Saharan Africa may help to explain their distaste for bullying. A culture of individualism in the US implies competition, which may increase the likelihood of workplace bullying situations.

Culture of Fear

Ashforth discussed potentially destructive sides of leadership and identified what he referred to as petty tyrants, i.e., leaders who exercise a tyrannical style of management, resulting in a climate of fear in the workplace. Partial or intermittent negative reinforcement can create an effective climate of fear and doubt. When employees get the sense that bullies “get away with it,” a climate of fear may be the result. Several studies have confirmed a relationship between bullying, on the one hand, and an autocratic leadership and an authoritarian way of settling conflicts or dealing with disagreements, on the other. An authoritarian style of leadership may create a climate of fear, where there is little or no room for dialogue and where complaining may be considered futile.

In a study of public-sector union members, approximately one in five workers reported having considered leaving the workplace as a result of witnessing bullying taking place. Rayner explained these figures by pointing to the presence of a climate of fear in which employees considered reporting to be unsafe, where bullies had “got away with it” previously despite management knowing of the presence of bullying.

Kiss up Kick Down

The workplace bully is often expert at knowing how to work the system. They can spout all the current management buzzwords about supportive management but basically use it as a cover.

By keeping their abusive behaviour hidden, any charges made by individuals about his or her bullying will always come down to your word against his. They may have a *kiss up kick down* personality, wherein they are always highly cooperative, respectful, and caring when talking to upper management but the opposite when it comes to their relationship with those whom they supervise. Bullies tend to ingratiate themselves to their bosses while intimidating subordinates. They may be socially popular with others in management, including those who will determine their fate. Often, a workplace bully will have mastered *kiss up kick down* tactics that hide their abusive side from superiors who review their performance.

As a consequence of this *kiss up kick down* strategy:

- A bully's mistakes are always concealed or blamed on underlings or circumstances beyond their control.
- A bully keeps the target under constant stress.
- A bully's power base is fear, not respect.
- A bully withholds information from subordinates and keeps the information flow top-down only.
- A bully blames conflicts and problems on subordinate's lack of competence, poor attitude, or character flaws.
- A bully creates an unnatural work environment where people constantly walk on eggshells and are compelled to behave in ways they normally would not.

The flow of blame in an organization may be a primary indicator of that organization's robustness and integrity. Blame flowing downwards, from management to staff, or laterally between professionals or partner organizations, indicates organizational failure. In a blame culture, problem-solving is replaced by blame-avoidance. Confused roles and responsibilities also contribute to a blame culture. Blame culture reduces the capacity of an organization to take adequate measures to prevent minor problems from escalating into uncontrollable situations. Several issues identified in organizations with a blame culture contradicts high reliability organizations best practices. Blame culture is considered a serious issue in healthcare organizations by the World Health Organization, which recommends to promote a *no-blame culture*, or just culture, a means to increase patients safety.

Fight or Flight

The most typical reactions to workplace bullying are to do with the survival instinct – “fight or flight” – and these are probably a victim's healthier responses to bullying. Flight is often a response to bullying. It is very common, especially in organizations in which upper management cannot or will not deal with the bullying. In hard economic times, however, flight may not be an option, and fighting may be the only choice.

Fighting the bullying can require near heroic action, especially if the bullying targets just one or two individuals. It can also be a difficult challenge. There are some times when confrontation is called for. First, there is always a chance that the bully boss is labouring under the impression that this is the way to get things done and does not recognize the havoc being wrought on subordinates.

Typology of Bullying Behaviours

With some variations, the following typology of workplace bullying behaviours has been adopted by a number of academic researchers. The typology uses five different categories.

1. Threat to professional status: Including belittling opinions, public professional humiliation, accusations regarding lack of effort, intimidating use of discipline or competence procedures.
2. Threat to personal standing: Including undermining personal integrity, destructive innuendo and sarcasm, making inappropriate jokes about the target, persistent teasing, name calling, insults, intimidation.
3. Isolation: Including preventing access to opportunities, physical or social isolation, withholding necessary information, keeping the target out of the loop, ignoring or excluding.
4. Overwork: Including undue pressure, impossible deadlines, unnecessary disruptions.
5. Destabilisation: Including failure to acknowledge good work, allocation of meaningless tasks, removal of responsibility, repeated reminders of blunders, setting target up to fail, shifting goal posts without telling the target.

Tactics

The following are the 25 most common workplace bullying tactics:

1. Falsely accused someone of “errors” not actually made (71%).
2. Stared, glared, was nonverbally intimidating and was clearly showing hostility (68%).
3. Unjustly discounted the person’s thoughts or feelings (“oh, that’s silly”) in meetings (64%).
4. Used the “silent treatment” to “ice out” and separate from others (64%).
5. Exhibited presumably uncontrollable mood swings in front of the group (61%).
6. Made-up rules on the fly that even they did not follow (61%).
7. Disregarded satisfactory or exemplary quality of completed work despite evidence (discrediting) (58%).
8. Harshly and constantly criticized, having a different standard for the target (57%).
9. Started, or failed to stop, destructive rumours or gossip about the person (56%).
10. Encouraged people to turn against the person being tormented (55%).
11. Singled out and isolated one person from other co-workers, either socially or physically (54%).
12. Publicly displayed gross, undignified, but not illegal, behaviour (53%).
13. Yelled, screamed, threw tantrums in front of others to humiliate a person (53%).
14. Stole credit for work done by others (plagiarism) (47%).

15. Abused the evaluation process by lying about the person's performance (46%).
16. Declared target "insubordinate" for failing to follow arbitrary commands (46%).
17. Used confidential information about a person to humiliate privately or publicly (45%).
18. Retaliated against the person after a complaint was filed (45%).
19. Made verbal put-downs/insults based on gender, race, accent, age or language, disability (44%).
20. Assigned undesirable work as punishment (44%).
21. Created unrealistic demands (workload, deadlines, duties) for person singled out (44%).
22. Launched a baseless campaign to oust the person; effort not stopped by the employer (43%).
23. Encouraged the person to quit or transfer rather than to face more mistreatment (43%).
24. Sabotaged the person's contribution to a team goal and reward (41%).
25. Ensured failure of person's project by not performing required tasks, such as sign-offs, taking calls, working with collaborators (40%).

Abusive Workplace Behaviours

Common abusive workplace behaviours are:

1. Disrespecting and devaluing the individual, often through disrespectful and devaluing language or verbal abuse.
2. Overwork and devaluation of personal life (particularly salaried workers who are not compensated).
3. Harassment through micromanagement of tasks and time.
4. Over evaluation and manipulating information (for example concentration on negative characteristics and failures, setting up subordinate for failure).
5. Managing by threat and intimidation.
6. Stealing credit and taking unfair advantage.
7. Preventing access to opportunities.
8. Downgrading an employee's capabilities to justify downsizing.
9. Impulsive destructive behaviour.
10. Having opinions and views ignored.
11. Withholding information which affects the target's performance.
12. Being exposed to an unmanageable workload.
13. Being given tasks with unreasonable or impossible targets or deadlines.

14. Being ordered to do work below competence.
15. Being ignored or facing hostility when the target approaches.
16. Being humiliated or ridiculed in connection with work.
17. Excessive monitoring of a person's work (see micromanagement).
18. Spreading gossip.
19. Insulting or offensive remarks made about the target's person (i.e. habits and background), attitudes or private life.
20. Having key areas of responsibility removed or replaced with more trivial or unpleasant tasks.

Abusive cyberbullying in the workplace can have serious socioeconomic and psychological consequences on the victim. Workplace cyberbullying can lead to sick leave due to depression which in turn can lead to loss of profits for the organisation.

In Specific Professions

Academia

Several aspects of academia, such as the generally decentralized nature of academic institutions and the particular recruitment and career procedures, lend themselves to the practice of bullying and discourage its reporting and mitigation.

Blue-Collar Jobs

Bullying has been identified as prominent in blue collar jobs including on the oil rigs, and in mechanical areas and machine shops, warehouses and factories. It is thought that intimidation and fear of retribution cause decreased incident reports, which, in the socioeconomic and cultural milieu of such industries, would likely lead to a vicious circle. This is often used in combination with manipulation and coercion of facts to gain favour among higher ranking administrators.

Information Technology

A culture of bullying is common in information technology (IT), leading to high sickness rates, low morale, poor productivity and high staff turnover. Deadline-driven project work and stressed-out managers take their toll on IT workers.

Legal Profession

Bullying in the legal profession is believed to be more common than in some other professions. It is believed that its adversarial, hierarchical tradition contributes towards this. Women, trainees and solicitors who have been qualified for five years or less are more impacted, as are ethnic minority lawyers and lesbian, gay and bisexual lawyers.

Medicine

Bullying in the medical profession is common, particularly of student or trainee doctors. It is thought that this is at least in part an outcome of conservative traditional hierarchical structures and teaching methods in the medical profession which may result in a bullying cycle.

Military

Bullying exists to varying degrees in the military of some countries, often involving various forms of hazing or abuse by higher members of the military hierarchy.

Nursing

Bullying has been identified as being particularly prevalent in the nursing profession although the reasons are not clear. It is thought that relational aggression (psychological aspects of bullying such as gossiping and intimidation) are relevant. Relational aggression has been studied amongst girls but not so much amongst adult women.

Teaching

School teachers are commonly the subject of bullying but they are also sometimes the originators of bullying within a school environment.

Volunteering

Bullying can be common in volunteering settings. For example, one study found bullying to be the most significant factor of complaints amongst volunteers. Volunteers often do not have access to protections available to paid employees, so while laws may indicate that bullying is a violation of rights, volunteers may have no means to address it.

Forms

Workplace bullying takes these forms:

- **Serial bullying:** The source of all dysfunction can be traced to one individual, who picks on one employee after another and destroys them, then moves on. Probably the most common type of bullying.
- **Secondary bullying:** The pressure of having to deal with a serial bully causes the general behaviour to decline and sink to the lowest level.
- **Pair bullying:** This takes place with two people, one active and verbal, the other often watching and listening.
- **Gang bullying or group bullying:** Is a serial bully with colleagues. Gangs can occur anywhere, but flourish in corporate bullying climates. It is often called mobbing and usually involves scapegoating and victimisation.
- **Vicarious bullying:** Two parties are encouraged to fight. This is the typical “triangulation” where the aggression gets passed around.

- Regulation bullying: Where a serial bully forces their target to comply with rules, regulations, procedures or laws regardless of their appropriateness, applicability or necessity.
- Residual bullying: After the serial bully has left or been fired, the behaviour continues. It can go on for years.
- Legal bullying: The bringing of a vexatious legal action to control and punish a person.
- Pressure bullying or unwitting bullying: Having to work to unrealistic time scales or inadequate resources.
- Corporate bullying: Where an employer abuses an employee with impunity, knowing the law is weak and the job market is soft.
- Organizational bullying: A combination of pressure bullying and corporate bullying. Occurs when an organization struggles to adapt to changing markets, reduced income, cuts in budgets, imposed expectations and other extreme pressures.
- Institutional bullying: Entrenched and is accepted as part of the culture.
- Client bullying: An employee is bullied by those they serve, for instance subway attendants or public servants.
- Cyberbullying: The use of information and communication technologies to support deliberate, repeated, and hostile behaviour by an individual or group, that is intended to harm others.

Adult bullying can come in an assortment of forms. There are about five distinctive types of adult bullies. A narcissistic bully is described as a self-centred person whose egotism is frail and possesses the need to put others down. An impulsive bully is someone who acts on bullying based on stress or being upset at the moment. A physical bully uses physical injury and the threat of harm to abuse their victims, while a verbal bully uses demeaning and cynicism to debase their victims. Lastly, a secondary adult bully is portrayed as a person that did not start the initial bullying but participates in afterwards to avoid being bullied themselves (“Adult Bullying”).

Emotional Intelligence

Workplace bullying is reported to be far more prevalent than perhaps commonly thought. For some reason, workplace bullying seems to be particularly widespread in healthcare organizations; 80% of nurses report experiencing workplace bullying. Similar to the school environment for children, the work environment typically places groups of adult peers together in a shared space on a regular basis. In such a situation, social interactions and relationships are of great importance to the function of the organizational structure and in pursuing goals. The emotional consequences of bullying put an organization at risk of losing victimized employees. Bullying also contributes to a negative work environment, is not conducive to necessary cooperation and can lessen productivity at various levels. Bullying in the workplace is associated with negative responses to stress. The ability to manage emotions, especially emotional stress, seems to be a consistently important factor in different types of bullying. The workplace in general can be a stressful environment, so a negative way of coping with stress or an inability to do so can be particularly damning. Workplace bullies may have high social intelligence and low emotional

intelligence (EI). In this context, bullies tend to rank high on the social ladder and are adept at influencing others. The combination of high social intelligence and low empathy is conducive to manipulative behaviour, such that Hutchinson describes workplace bullying to be. In working groups where employees have low EI, workers can be persuaded to engage in unethical behaviour. With the bullies' persuasion, the work group is socialized in a way that rationalizes the behaviour, and makes the group tolerant or supportive of the bullying. Hutchinson & Hurley make the case that EI and leadership skills are both necessary to bullying intervention in the workplace, and illustrates the relationship between EI, leadership and reductions in bullying. EI and ethical behaviour among other members of the work team have been shown to have a significant impact on ethical behaviour of nursing teams. Higher EI is linked to improvements in the work environment and is an important moderator between conflict and reactions to conflict in the workplace. The self-awareness and self-management dimensions of EI have both been illustrated to have strong positive correlations with effective leadership and the specific leadership ability to build healthy work environments and work culture.

Health Effects

Workplace bullying can harm the health of the targets of bullying. Organizations are beginning to take note of workplace bullying because of the costs to the organization in terms of the health of their employees.

According to scholars at The Project for Wellness and Work-Life at Arizona State University, "workplace bullying is linked to a host of physical, psychological, organizational, and social costs." Stress is the most predominant health effect associated with bullying in the workplace. Research indicates that workplace stress has significant negative effects that are correlated to poor mental health and poor physical health, resulting in an increase in the use of "sick days" or time off from work.

The negative effects of bullying are so severe that posttraumatic stress disorder (PTSD) and even suicide are not uncommon. Tehrani found that one in 10 targets experience PTSD, and that 44% of her respondents experienced PTSD similar to that of battered women and victims of child abuse. Matthiesen and Einarsen found that up to 77% of targets experience PTSD.

In addition, co-workers who witness workplace bullying can also have negative effects, such as fear, stress, and emotional exhaustion. Those who witness repetitive workplace abuse often choose to leave the place of employment where the abuse took place. Workplace bullying can also hinder the organizational dynamics such as group cohesion, peer communication, and overall performance.

According to the 2012 survey conducted by Workplace Bullying Institute (516 respondents), Anticipation of next negative event is the most common psychological symptom of workplace bullying reported by 80%. Panic attacks afflict 52%. Half (49%) of targets reported being diagnosed with clinical depression. Sleep disruption, loss of concentration, mood swings, and pervasive sadness and insomnia were more common (ranging from 77% to 50%). Nearly three-quarters (71%) of targets sought treatment from a physician. Over half (63%) saw a mental health professional for their work-related symptoms. Respondents reported other symptoms that can be exacerbated by stress: migraine headaches (48%), irritable bowel disorder (37%), chronic fatigue syndrome (33%) and sexual dysfunction (27%).

Depression

Workplace depression can occur in many companies of various size and profession, and can have negative effects on positive profit growth. Stress factors that are unique to one's working environment, such as bullying from co-workers or superiors and poor social support for high pressure occupations, can build over time and create an inefficient work behavior in a depressed individual. In addition, inadequate or negative communication techniques can further drive an employee towards feeling of being disconnected from the company's mission and goals. One way that companies can combat the destructive consequences associated with employee depression is to offer more support for counseling and consider bringing in experts to educate staff on the consequences of bullying. Ignoring the problem of depression and decreased workplace performance is creating an unsustainable path towards intergroup conflict and lasting feelings of disillusionment.

Financial Costs to Employers

Several studies have attempted to quantify the cost of bullying to an organization.

- According to the National Institute for Occupational Safety and Health (NIOSH), mental illness among the workforce leads to a loss in employment amounting to \$19 billion and a drop in productivity of \$3 billion.
- In a report commissioned by the ILO, Hoel, Sparks, & Cooper did a comprehensive analysis of the costs involved in bullying. They estimated a cost 1.88 billion pounds plus the cost of lost productivity.
- Based on replacement cost of those who leave as a result of being bullied or witnessing bullying, Rayner and Keashly estimated that for an organization of 1,000 people, the cost would be \$1.2 million US. This estimate did not include the cost of litigation should victims bring suit against the organization.
- A recent Finnish study of more than 5,000 hospital staff found that those who had been bullied had 26% more certified sickness absence than those who were not bullied, when figures were adjusted for base-line measures one year prior to the survey. According to the researchers these figures are probably an underestimation as many of the targets are likely to have been bullied already at the time the base-line measures were obtained.
- The city government of Portland, Oregon, United States was sued by a former employee for hazing abuse on the job by a "lead worker" in the shop. The victim sought damages of \$250,000 and named the city, as well as the perpetrator Jerry Munson, a "lead worker" for the organization who was in a position of authority. The suit stated a supervisor was aware of the issue, but "failed to take any form of immediate appropriate and corrective action to stop it." After an investigation, the municipal government settled for \$80,000 USD after it believed that "there is risk the city may be found liable."

Research has shown organizations suffer a large financial cost by not accurately managing conflict and bullying type behaviours. He has developed a tool to assist with calculating the cost of conflict. In addition, researcher Tamara Parris discusses how employers need to be more attentive in managing various discordant behaviours in the workplace, such as, bullying, as it not only creates a financial cost to the organization, but also erodes the company's human resources assets.

ORGANISATION CLIMATE

Organizational climate (sometimes known as Corporate Climate) is a concept that has academic meaning in the fields of Organizational Behavior and I/O Psychology as well as practical meaning in the business world. There is continued scholarly debate about the exact definition of organizational climate for the purposes of scientific study. The definition developed by Lawrence R. James and his colleagues makes a distinction between *psychological* and *organizational* climate.

“*Psychological* climate is defined as the individual employee’s perception of the psychological impact of the work environment on his or her own well-being. When employees in a particular work unit agree on their perceptions of the impact of their work environment, their shared perceptions can be aggregated to describe their *organizational* climate.”

Employees’ collective appraisal of the organizational work environment takes into account many dimensions of the situation as well as the psychological impact of the environment. For instance, job-specific properties such as role clarity, workload and other aspects unique to a person’s specific job have a psychological impact that can be agreed upon by members of the organization. Work group or team cooperation and effectiveness as well as leadership and organizational support are other dimensions of shared experience that factor into organizational climate. Surveys are the most common way of quantifying organizational climate. Aspects of climate that influence performance of specific sets of behaviors and outcomes can be measured, such as the *climate for safety* and the *climate for innovation*.

Organizational Climate vs. Organizational Culture

Organizational climate and organizational culture are distinct concepts. Climate and culture are both important aspects of the overall context, environment or situation. Organizational culture tends to be shared by all or most members of some social group, is something that older members usually try to pass on to younger members, and shapes behavior, structures, and perceptions of the world. Cultures are often studied and understood at a national level, such as the American or French culture. Culture includes deeply held values, beliefs and assumptions, symbols, heroes, and rituals. Culture can be examined at an organizational level as well. The main distinction between organizational and national culture is that people can choose to join a place of work, but are usually born into a national culture.

Organizational climate, on the other hand, is often defined as the recurring patterns of behavior, attitudes and feelings that characterize life in the organization, while an organization culture tends to be deep and stable. Although culture and climate are related, climate often proves easier to assess and change. At an individual level of analysis the concept is called individual psychological climate. These individual perceptions are often aggregated or collected for analysis and understanding at the team or group level, or the divisional, functional, or overall organizational level.

Approaches

There are two difficulties in defining organization climate: how to define climate, and how to measure it effectively on different levels of analysis. Furthermore, there are several approaches to the

concept of climate. Two in particular have received substantial patronage: the cognitive schema approach and the shared perception approach.

The cognitive schema approach regards the concept of climate as an individual perception and cognitive representation of the work environment. From this perspective climate assessments should be conducted at an individual level.

The shared perception approach emphasizes the importance of shared perceptions as underpinning the notion of climate. Organisational climate has also been defined as “the shared perception of the way things are around here”. There is great deal of overlap in the two approaches.

Cognitive Schema Approach

Cognitive representations of social objects are referred to as schemas. These schemas are a mental structure that represents some aspect of the world. They are organized in memory in an associative network. In these associative networks, similar schemas are clustered together. When a particular schema is activated related schemas may be activated as well. Schema activation may also increase the accessibility of related schemas in the associative network. When a schema is more accessible this means it can more quickly be activated and used in a particular situation. When related schemas are activated, inferences beyond the information given in a particular social situation may influence thinking and social behavior, regardless of whether those inferences are accurate or not. Lastly, when a schema is activated a person may or may not be aware of it.

Two processes that increase the accessibility of schemas are salience and priming. Salience is the degree to which a particular social object stands out relative to other social objects in a situation. The higher the salience of an object the more likely that schemas for that object will be made accessible. For example, if there is one female in a group of seven males, female gender schemas may be more accessible and influence the group’s thinking and behavior toward the female group member. Priming refers to any experiences immediately prior to a situation that caused a schema to be more accessible.

Shared Perception Approach

Some researchers have pursued the shared perception model of organizational climate. Their model identifies the variables which moderate an organisation’s ability to mobilise its workforce in order to achieve business goals and maximise performance.

One of the major users of this model are departments of the Queensland State Government Australia. These departments use this model of climate to survey staff in order to identify and measure those aspects of a workplace which impact on stress, morale, quality of worklife, wellbeing, employee engagement, absenteeism/presenteeism, turnover and performance.

While an organisation and its leaders cannot remove every stressor in the daily life of its employees, organisational climate studies have identified a number of behaviours of leaders which have a significant impact on stress and morale. For instance, one Queensland state government employer, Queensland Transport, has found that increasing managers’ awareness of these behaviours has improved quality of work life employees and the ability of QT’s to deliver its organisational goals.

Climate Surveys

Theories of cognitive and neuropsychology and emotional intelligence provide additional scientific rationale for why leaders should improve stress and morale in the workplace to achieve maximum performance. Climate surveys can provide concrete evidence of how this works in action.

Organisational climate surveying enables the impact of human resource (HR) strategies to be evaluated to create HR return on investment (HRROI) calculations. This data has been found to be highly effective in changing the perspective of people-based initiatives as being an “investment” rather than a “cost” and transforming HR into a “mission-critical strategic partner” from its perception of “personnel administration”.

A number of studies have found a very strong link between organisational climate and employee reactions such as stress levels, absenteeism and commitment and participation.

A study has found that organisational climate model accounts for at least 16% single-day sick leave and 10% separation rates in one organisation. Other studies support the links between organisational climate and many other factors such as employee retention, job satisfaction, well-being, and readiness for creativity, innovation and change.

ORGANIZATIONAL COMMITMENT

In organizational behavior and industrial and organizational psychology, organizational commitment is an individual’s psychological attachment to the organization. The basis behind many of these studies was to find ways to improve how workers feel about their jobs so that these workers would become more committed to their organizations. Organizational commitment predicts work variables such as turnover, organizational citizenship behavior, and job performance. Some of the factors such as role stress, empowerment, job insecurity and employability, and distribution of leadership have been shown to be connected to a worker’s sense of organizational commitment.

Organizational scientists have also developed many nuanced definitions of organizational commitment, and numerous scales to measure them. Exemplary of this work is Meyer and Allen’s model of commitment, which was developed to integrate numerous definitions of commitment that had been proliferated in the literature. Meyer and Allen’s model has also been critiqued because the model is not consistent with empirical findings. It may also not be fully applicable in domains such as customer behavior. There has also been debate surrounding what Meyers and Allen’s model was trying to achieve.

Model of Commitment

Meyer and Allen’s three-component model of commitment was created to argue that commitment has three different components that correspond with different psychological states. Meyer and Allen created this model for two reasons: first “aid in the interpretation of existing research” and second “to serve as a framework for future research”. Their study was based mainly around previous studies of organizational commitment. Meyer and Allen’s research indicated that there

are three “mind sets” which can characterize an employee’s commitment to the organization. Mercurio extended this model by reviewing the empirical and theoretical studies on organizational commitment. Mercurio posits that emotional, or affective commitment is the core essence of organizational commitment.

Affective Commitment

AC is defined as the employee’s positive emotional attachment to the organization. Meyer and Allen pegged AC as the “desire” component of organizational commitment. An employee who is affectively committed strongly identifies with the goals of the organization and desires to remain a part of the organization. This employee commits to the organization because he/she “wants to”. This commitment can be influenced by many different demographic characteristics: age, tenure, sex, and education but these influences are neither strong nor consistent. The problem with these characteristics is that while they can be seen, they cannot be clearly defined. Meyer and Allen gave this example that “positive relationships between tenure and commitment maybe due to tenure-related differences in job status and quality” In developing this concept, Meyer and Allen drew largely on Mowday, Porter, and Steers’s concept of commitment, which in turn drew on earlier work by Kanter. Mercurio stated that “affective commitment was found to be an enduring, demonstrably indispensable, and central characteristic of organizational commitment.

Continuance Commitment

Continuance commitment is the “need” component or the gains versus losses of working in an organization. “Side bets”, or investments, are the gains and losses that may occur should an individual stay or leave an organization. An individual may commit to the organization because he/she perceives a high cost of losing organizational membership. Things like economic costs (such as pension accruals) and social costs (friendship ties with co-workers) would be costs of losing organizational membership. But an individual doesn’t see the positive costs as enough to stay with an organization they must also take into account the availability of alternatives (such as another organization), disrupt personal relationships, and other “side bets” that would be incurred from leaving their organization. The problem with this is that these “side bets” don’t occur at once but that they “accumulate with age and tenure”.

Normative Commitment

The individual commits to and remains with an organization because of feelings of obligation, the last component of organizational commitment. These feelings may derive from a strain on an individual before and after joining an organization. For example, the organization may have invested resources in training an employee who then feels a ‘moral’ obligation to put forth effort on the job and stay with the organization to ‘repay the debt.’ It may also reflect an internalized norm, developed before the person joins the organization through family or other socialization processes, that one should be loyal to one’s organization. The employee stays with the organization because he/she “ought to”. But generally if an individual invest a great deal they will receive “advanced rewards”. Normative commitment is higher in organizations that value loyalty and systematically communicate the fact to employees with rewards, incentives and other strategies. Normative commitment in employees is also high where employees regularly see visible examples of the employer being committed to employee well-being. An employee with greater organizational commitment has a greater chance of

contributing to organizational success and will also experience higher levels of job satisfaction. High levels of job satisfaction, in turn, reduces employee turnover and increases the organization's ability to recruit and retain talent. Meyer and Allen based their research in this area more on theoretical evidence rather than empirical, which may explain the lack of depth in this topic of their study compared to the others. They drew off Wiener's research for this commitment component.

Critique to the Three-component Model

Since the model was made, there has been conceptual critique to what the model is trying to achieve. Specifically from three psychologists, Omar Solinger, Woody Olffen, and Robert Roe. To date, the three-component conceptual model has been regarded as the leading model for organizational commitment because it ties together three aspects of earlier commitment research. However, a collection of studies have shown that the model is not consistent with empirical findings. Solinger, Olffen, and Roe use a later model by Alice Eagly and Shelly Chaiken, Attitude-behavior Model, to present that TCM combines different attitude phenomena. They have come to the conclusion that TCM is a model for predicting turnover. In a sense the model describes why people should stay with the organization whether it is because they want to, need to, or ought to. The model appears to mix together an attitude toward a target, that being the organization, with an attitude toward a behavior, which is leaving or staying. They believe the studies should return to the original understanding of organizational commitment as an attitude toward the organization and measure it accordingly. Although the TCM is a good way to predict turnover, these psychologists do not believe it should be the general model. Because Eagly and Chaiken's model is so general, it seems that the TCM can be described as a specific subdivision of their model when looking at a general sense of organizational commitment. It becomes clear that affective commitment equals an attitude toward a target, while continuance and normative commitment are representing different concepts referring to anticipated behavioral outcomes, specifically staying or leaving. This observation backs up their conclusion that organizational commitment is perceived by TCM as combining different target attitudes and behavioral attitudes, which they believe to be both confusing and logically incorrect. The attitude-behavioral model can demonstrate explanations for something that would seem contradictory in the TCM. That is that affective commitment has stronger associations with relevant behavior and a wider range of behaviors, compared to normative and continuance commitment. Attitude toward a target (the organization) is obviously applicable to a wider range of behaviors than an attitude toward a specific behavior (staying). After their research, Sollinger, Olffen, and Roe believe Eagly and Chaiken's attitude-behavior model from 1993 would be a good alternative model to look at as a general organizational commitment predictor because of its approach at organizational commitment as a singular construct, which in turn would help predicting various behaviors beyond turnover.

A Five Component Commitment Model

More recently, scholars have proposed a five component model of commitment, though it has been developed in the context of product and service consumption. This model proposes habitual and forced commitment as two additional dimensions which are very germane in consumption settings. It seems, however, that habitual commitment or inertial may also become relevant in many job settings. People get habituated to a job—the routine, the processes, the cognitive schemas associated with a job can make people develop a latent commitment to the job—just as it may occur in a consumption setting.

Job Satisfaction

Job satisfaction is commonly defined as the extent to which employees like their work. Researchers have examined Job satisfaction for the past several decades. Studies have been devoted to figuring out the dimensions of job satisfaction, antecedents of job satisfaction, and the relationship between satisfaction and commitment. Satisfaction has also been examined under various demographics of gender, age, race, education, and work experience. Most research on job satisfaction has been aimed towards the person-environment fit paradigm. Job satisfaction has been found to be an important area of research because one of the top reasons individuals give for leaving a job is dissatisfaction.

Much of the literature on the relationship between commitment and satisfaction with one's job indicates that if employees are satisfied they develop stronger commitment to their work. Kalleberg studied work attitudes of workers in the USA and Japan and found a correlation of 0.73 between job satisfaction and organizational commitment of workers in Japan and a higher significant correlation of 0.81 among Americans. A study conducted by Dirani and Kuchinke produced results indicating a strong correlation between job commitment and job satisfaction and that satisfaction was a reliable predictor of commitment. Job satisfaction among employees—at least in retail settings—can also strengthen the association between customer satisfaction and customer loyalty.

Perceiving a Calling

A study at the University of Florida found a positive correlation between the individual's perception of their career being a "calling" and the level of commitment to the job. This study looked at the relation between work commitment and participant's perception of meaning in their job. Participants were tested in the areas of; perceiving a calling, job satisfaction, and job commitment. Results showed a moderate correlation between participants perceiving a calling and job commitment and a weak correlation between perceiving a calling and job satisfaction.

Other Factors

Role Stress

Dysfunctions in role performance have been associated with a large number of consequences, almost always negative, which affect the well being of workers and functioning of organizations. An individual's experience of receiving incompatible or conflicting requests (role conflict) and/or the lack of enough information to carry out his/her job (role ambiguity) are causes of role stress. Role ambiguity and conflict decrease worker's performance and are positively related to the probability of the workers leaving the organization. Role conflict and ambiguity have been proposed as determining factors of workers' job satisfaction and organizational commitment.

Empowerment

Empowerment in the workplace has had several different definitions over the years. It has been considered 'energizing followers through leadership, enhancing self efficacy by reducing powerlessness and increasing intrinsic task motivation.' A psychological view of empowerment describes it as 'a process of intrinsic motivation, perceived control, competence, and energizing towards achieving goals.' There are two prominent concepts of empowerment. The first is Structural Empowerment which comes from the Organizational/Management Theory and is described as the ability

to get things done and to mobilize resources. The second is Psychological Empowerment which comes from Social Psychological models and is described as psychological perceptions/attitudes of employees about their work and their organizational roles. A study found support for the relationship between empowerment and job satisfaction and job commitment. The study looked at nurses working in England and nurses working in Malaysia. Taking cultural context into consideration, the study still showed a positive correlation between empowerment and job satisfaction/commitment.

Job Insecurity and Employability

In a study conducted research found that workers who were on fixed-term contracts or considered “temporary workers” reported higher levels of job insecurity than permanent workers. Job insecurity was found to negatively correlate with job satisfaction and affective organizational commitment in permanent workers. The study also found that job satisfaction and organizational commitment were highly correlated with being a permanent worker.

Distribution of Leadership

A study conducted, focused on the impact of the distribution of leadership and leadership support among teachers and how that affected job satisfaction and commitment. The study found that there was a strong relationship between organizational commitment and the cohesion of the leadership team and the amount of leadership support. Previously held beliefs about job satisfaction and commitment among teachers was that they were negatively correlated with absenteeism and turnover and positively correlated with job effort and job performance. This study examined how one leader (usually a principal) effected the job satisfaction and commitment of teachers. The study found that when leadership was distributed by the ‘leader’ out to the teachers as well workers reported higher job satisfaction and organizational commitment than when most of the leadership fell to one person. Even when it was only the perception of distributed leadership roles workers still reported high levels of job satisfaction/commitment.

Enhancing Organizational Commitment

Five rules help to enhance organizational commitment:

Commit to People-first Values

Put it in writing, hire the right-kind managers, and walk the talk.

Clarify and Communicate your Mission

Clarify the mission and ideology; make it charismatic; use value-based hiring practices; stress values-based orientation and training; build tradition.

Guarantee Organizational Justice

Have a comprehensive grievance procedure; provide for extensive two-way communications.

Community of Practice

Build value-based homogeneity; share and share alike; emphasize barnraising, cross-utilization, and teamwork; getting people to work together.

Support Employee Development

Commit to actualizing; provide first-year job challenge; enrich and empower; promote from within; provide developmental activities; provide employee security without guarantees.

ORGANIZATIONAL JUSTICE

Greenberg introduced the concept of organizational justice with regard to how an employee judges the behaviour of the organization and the employee's resulting attitude and behaviour. (e.g., if a firm makes redundant half of the workers, an employee may feel a sense of injustice with a resulting change in attitude and a drop in productivity).

Justice or fairness refers to the idea that an action or decision is morally right, which may be defined according to ethics, religion, fairness, equity, or law. People are naturally attentive to the justice of events and situations in their everyday lives, across a variety of contexts. Individuals react to actions and decisions made by organizations every day. An individual's perceptions of these decisions as fair or unfair can influence the individual's subsequent attitudes and behaviors. Fairness is often of central interest to organizations because the implications of perceptions of injustice can impact job attitudes and behaviors at work. Justice in organizations can include issues related to perceptions of fair pay, equal opportunities for promotion, and personnel selection procedures.

Organizational justice is conceptualized as a multidimensional construct. The four proposed components are distributive, procedural, interpersonal, and informational justice. Research also suggests the importance of affect and emotion in the appraisal of the fairness of a situation as well as one's behavioral and attitudinal reactions to the situation. Much literature in the industrial/organizational psychology field has examined organizational justice as well as the associated outcomes. Perceptions of justice influence many key organizational outcomes such as motivation and job satisfaction.

Corporate Social Responsibility

A concept related to organizational justice is corporate social responsibility (CSR). Organizational justice generally refers to perceptions of fairness in treatment of individuals internal to that organization while corporate social responsibility focuses on the fairness of treatment of entities external to the organization. Corporate social responsibility refers to a mechanism by which businesses monitor and regulate their performance in line with moral and societal standards such that it has positive influences on all of its stakeholders. Thus, CSR involves organizations going above and beyond what is moral or ethical and behaving in ways that benefit members of society in general. It has been proposed that an employee's perceptions of their organization's level of corporate social responsibility can impact that individual's own attitudes and perceptions of justice even if they are not the victim of unfair acts.

Roots in Equity Theory

The idea of organizational justice stems from equity theory, which posits that judgments of equity and inequity are derived from comparisons between one's self and others based on inputs and

outcomes. Inputs refer to what a person perceives to contribute (e.g., knowledge and effort) while outcomes are what an individual perceives to get out of an exchange relationship (e.g., pay and recognition). Comparison points against which these inputs and outcomes are judged may be internal (one's self at an earlier time) or external (other individuals).

Types

Three main proposed components of organizational justice are distributive, procedural, and interactional justice (which includes informational and interpersonal justice).

Distributive Justice

Distributive justice is conceptualized as the fairness associated with decision outcomes and distribution of resources. The outcomes or resources distributed may be tangible (e.g., pay) or intangible (e.g., praise). Perceptions of distributive justice can be fostered when outcomes are perceived to be equally applied.

Procedural Justice

Procedural justice is defined as the fairness of the processes that lead to outcomes. When individuals feel that they have a voice in the process or that the process involves characteristics such as consistency, accuracy, ethicality, and lack of bias then procedural justice is enhanced.

Interactional Justice

Interactional justice refers to the treatment that an individual receives as decisions are made and can be promoted by providing explanations for decisions and delivering the news with sensitivity and respect. A construct validation study suggests that interactional justice should be broken into two components: interpersonal and informational justice. Interpersonal justice refers to perceptions of respect and propriety in one's treatment while informational justice relates to the adequacy of the explanations given in terms of their timeliness, specificity, and truthfulness.

Interpersonal justice "reflects the degree to which people are treated with politeness, dignity, and respect by authorities and third parties involved in executing procedures or determining outcomes".

Informational justice "focuses on explanations provided to people that convey information about why procedures were used in a certain way or why outcomes were distributed in a certain fashion".

Proposed Models

Three different models have been proposed to explain the structure of organizational justice perceptions including a two factor model, a three factor model, and a four factor model. Many researchers have studied organizational justice in terms of the three factor model while others have used a two factor model in which interpersonal justice is subsumed under procedural justice while yet some other studies suggest a four factor model best fits the data. Greenberg proposed a two-factor model and Sweeney and McFarlin found support for a two-factor model composed

of distributive and procedural justice. Through the use of structural equation modeling, Sweeney and McFarlin found that distributive justice was related to outcomes that are person-level (e.g., pay satisfaction) while procedural justice was related to organization-level outcomes (e.g., organizational commitment).

The accuracy of the two-factor model was challenged by studies that suggested a third factor (interactional justice) may be involved. Bies and Moag argue that interactional justice is distinct from procedural justice because it represents the social exchange component of the interaction and the quality of treatment whereas procedural justice represents the processes that were used to arrive at the decision outcomes. Generally researchers are in agreement regarding the distinction between procedural and distributive justice but there is more controversy over the distinction between interactional and procedural justice. Colquitt demonstrated that a four-factor model (including procedural, distributive, interpersonal, and informational justice) fit the data significantly better than a two or three factor model. Colquitt's construct validation study also showed that each of the four components have predictive validity for different key organizational outcomes (e.g., commitment and rule compliance).

Another model of organizational justice proposed by Byrne and colleagues suggested that organizational justice is a multi-foci construct, one where employees see justice as coming from a source - either the organization or their supervisor. Thus, rather than focus on justice as the three or four factor component model, Byrne suggested that employees personify the organization and they distinguish between whether they feel the organization or supervisor have treated them fairly (interactional), use fair procedures (procedural), or allocate rewards or assignments fairly (distributive justice). A number of researchers used this model exploring the possibility that justice is more than just 3 or 4 factors.

The Role of Affect in Perceptions

One of the key constructs that has been shown to play a role in the formation of organizational justice perceptions is affect. The precise role of affect in organizational justice perceptions depends on the form of affectivity being examined (emotions, mood, disposition) as well as the context and type of justice being measured. Affect may serve as an antecedent, outcome, or even a mediator of organizational justice perceptions.

Affect and emotions can be part of the reactions to perceived injustice, as studies have shown that the more injustice that is perceived, the higher degrees of negative emotions are experienced. In addition, affect can act as a mediator between justice perceptions and actions taken to redress the perceived injustice. Affect plays this role in equity theory such that negative affective reactions act as a mediator between perceptions and actions, as emotional reactions to justice motivate individuals to take action to restore equity.

A recent meta-analysis by Barsky and Kaplan condenses many studies on this topic and explains that state and trait level affect can influence one's perceptions of justice. The findings of Barsky and Kaplan show that both state and trait level negative affect can act as antecedents to justice perceptions. State and trait level negative affect are negatively associated with interactional, procedural, and distributive justice perceptions. Conversely, positive state and trait affectivity was linked to higher ratings of interactional, procedural and distributive justice.

Based on the research regarding the central role of affect in justice perceptions, Lang, Bliese, Lang, and Adler extended this research and studied the idea that sustained clinical levels of negative affect (depression) could be a precursor to perceptions of injustice in organizations. Lang tested longitudinal cross-lagged effects between organizational justice perceptions and employee depressive symptoms and found that depressive symptoms do lead to subsequent organizational justice perceptions. Thus, affect can serve as an antecedent to justice perceptions in this instance.

Antecedents of Perceptions

Employee Participation

One antecedent to perceptions of organizational justice is the extent to which employees feel that they are involved in decision-making or other organizational procedures. Higher levels of justice are perceived when employees feel that they have input in processes than when employees do not perceive that they have the opportunity to participate. The opportunity or ability to participate in decision making improves an individual's perceptions of procedural justice, even when the decision is unfavorable to the individual. In addition, other studies have shown that employee input is related to both procedural and interpersonal justice perceptions.

Communication

A second antecedent to organizational justice perceptions is organizational communication with employees. Communication has been shown to be related to interpersonal and informational justice perceptions. The quality of communication by an organization or manager can improve justice perceptions by improving employee perceptions of manager trustworthiness and also by reducing feelings of uncertainty. It is important that the information provided be accurate, timely, and helpful in order for the impact on justice perceptions to be positive.

Justice Climate

Perceptions of organizational justice can be influenced by others, such as co-workers and team members. Recent research suggests that team level perceptions of justice form what is called a 'justice climate' which can impact individuals' own views of justice. Employees working within a team may share their perceptions with one another which can lead to a shared interpretation of the fairness of events. Research findings show that individuals can "learn" justice evaluations from team members and these can lead to homogeneity of justice perceptions within teams, creating a strong justice climate. Thus, group-level perceptions of justice can be conceptualized as an antecedent to individuals' justice perceptions.

Outcomes of Perceptions

Employees' perceptions of injustice within the organization can result in a myriad of outcomes both positive and negative. Outcomes are affected by perceptions of organizational justice as a whole or by different factors of organizational justice. Commonly cited outcomes affected by organizational justice include trust, performance, job satisfaction, organizational commitment, organizational citizenship behaviors (OCBs), counterproductive work behaviors (CWBs), absenteeism, turnover, and emotional exhaustion.

Trust

The relationship between trust and organizational justice perceptions is based on reciprocity. Trust in the organization is built from the employee's belief that since current organizational decisions are fair, future organizational decisions will be fair. The continuance of employee trust in the organization and the organization continuing to meet the employee's expectations of fairness creates the reciprocal relationship between trust and organizational justice. Research has found that procedural justice is the strongest predictor of organizational trust. A positive relationship between an employee and supervisor can lead to trust in the organization.

Performance

The impact of organizational justice perceptions on performance is believed to stem from equity theory. This would suggest that when people perceive injustice they seek to restore justice. One way that employees restore justice is by altering their level of job performance. Procedural justice affects performance as a result of its impact on employee attitudes. Distributive justice affects performance when efficiency and productivity are involved. Improving justice perceptions improves productivity and performance.

Job Satisfaction and Organizational Commitment

Job satisfaction was found to be positively associated with overall perceptions of organizational justice such that greater perceived injustice results in lower levels of job satisfaction and greater perceptions of justice result in higher levels of job satisfaction. Additionally, organizational commitment is related to perceptions of procedural justice such that greater perceived injustice results in diminished commitment while greater perceived justice results in increases commitment to the organization.

Organizational Citizenship Behavior

Organizational citizenship behaviors are actions that employees take to support the organization that go above and beyond the scope of their job description. OCBs are related to both procedural justice and distributive justice perceptions. As organizational actions and decisions are perceived as more just, employees are more likely to engage in OCBs. Karriker and Williams established that OCBs are directed toward either the supervisor or the organization depending on whether the perception of just stems from the supervisor or the organization. Additionally, a relationship was found between interpersonal justice and OCBs; however, this relationship was not mediated by the source of justice perceptions.

Counterproductive Work Behaviors

Counterproductive work behaviors (CWBs) are "intentional behaviors on the part of an organizational member viewed by the organization as contrary to their legitimate interests". There are many reasons that explain why organizational justice can affect CWBs. Increased judgments of procedural injustice, for instance, can lead to employee unwillingness to comply with an organization's rules because the relationship between perceived procedural injustice and CWBs could be mediated by perceived normative conflict, i.e., the extent to which employees perceive conflict

between the norms of their workgroup and the rules of the organization. Thus, the more perceptions of procedural injustice lead employees to perceived normative conflict, the more it is likely that CWBs occur.

Absenteeism and Withdrawal

Absenteeism, or non-attendance, is another outcome of perceived injustice related to equity theory. Failure to receive a promotion is an example of a situation in which feelings of injustice may result in an employee being absent from work without reason. Johns found that when people saw both their commitment to the organization and the organization's commitment to them as high, absenteeism is diminished. Additionally, withdrawal, or leaving the organization, is a more extreme outcome stemming from the same equity theory principles. Distributive justice perceptions are most strongly related to withdrawal.

Emotional Exhaustion

Emotional exhaustion, which related to employee health and burnout, is related to overall organizational justice perceptions. As perceptions of justice increase employee health increases and burnout decreases. Distributive, procedural, and interactional justice perceptions are able to capture state specific levels of emotional exhaustion which fade over time; however, overall organizational justice perceptions give the most stable picture of the relationship between justice perceptions and emotional exhaustion over time.

Health

Physical health is related to an employee's perception of distributive justice. As the employee's perception of earnings justice decreases, the physical health of the employee decreases.

Turnover Intention

Perceptions of injustice and unfairness are significant antecedents and determinants of turnover intention. In other words, turnover intention is a considerable outcome of an employee's fairness perceptions. Although all three dimensions of organizational justice may play a role in an employee's intention to exit an organization, interactional and distributive justice are more predictive of turnover intention than procedural justice.

ORGANIZATIONAL EXPEDIENCE

Organizational expedience is defined as workers' behaviors that (1) are intended to fulfill organizationally prescribed or sanctioned objectives but that (2) knowingly involve breaking, bending, or stretching organizational rules, directives, or organizationally sanctioned norms.

There are several key aspects underlying the concept of organizational expedience. Firstly, organizational expedience describes a worker's actions but not their intentions. For example, if a shop assistant is considering giving a loyal customer a deeper discount than is permitted but decides not to do so after seeing her supervisor, then this shop assistant didn't engage in expedience.

Secondly, such definition requires workers to knowingly engage in expedience. If the rules are not known or well understood, or are accidentally broken, this behavior doesn't qualify as expedience. For example, if a long haul driver drove over the time limit because he doesn't know about the time limit rule, misunderstood the time limit rule, or forgot to look at the watch and accidentally broke the time limit rule, such behavior does not qualify as expedience.

Work Characteristics that may Lead to Organizational Expedience

McLean Parks, Ma, and Gallagher proposed three role stressors as the theoretical antecedents of organizational expedience:

1. Role conflict: Role conflict is seen as an 'incompatibility between expectations of a single role'.
2. Role ambiguity: Role ambiguity is viewed as 'uncertainty about what actions to take to fulfill the expectations of the role'.
3. Role overload: Role overload refers to 'the extent to which time and resources prove inadequate to meet expectations of commitments and obligations to fulfill a role'.

Mechanisms through which different Role Stressors Lead to Organizational Expedience

1. One mechanism through which role overload leads to organizational expedience:
 - i) Emotional exhaustion: The feeling of 'being emotionally overextended and drained'.
2. Two mechanisms through which both role ambiguity and role conflict lead to organizational expedience:
 - i) Tension: Tension is defined as 'a negative psychological experience based on job-related anxiety'.
 - ii) Task conflict: Task conflict is defined as 'an awareness of differences in viewpoints and opinions pertaining to a group task'.

Work Context Factors that may affect the Strength of the Linkage between Role Stressors and Organizational Expedience

1. Behavioral integrity of the manager: Behavioral integrity is defined as "managers' consistency between words and deeds". When the behavioral integrity of the manager is high, both role ambiguity and role conflict are less likely to lead to worker's organizational expedience.

Theoretical Outcomes of Expedience

1. Creativity: Creativity here is defined as 'the generation of new and potentially valuable ideas concerning new products, services, manufacturing methods, and administrative processes'.
2. Voice: Voice (also called individual initiative) here refers to the behavior of 'actively and constructively trying to improve conditions through discussing'.

Psychological Factors of Workers that may Affect the Strength of the Linkage Between Organizational Expedience and Outcomes

1. Psychological ownership: Psychological ownership is the degree to which workers ‘feel possession of and psychologically tied to their organizations’. When worker’s psychological ownership for the organization is high, organizational expedience is more likely to lead to creativity and voice.

EMPLOYEE MOTIVATION

Employee motivation, i.e. methods for motivating employees, is an intrinsic and internal drive to put forth the necessary effort and action towards work-related activities. It has been broadly defined as the “psychological forces that determine the direction of a person’s behavior in an organisation, a person’s level of effort and a person’s level of persistence”. Also, “Motivation can be thought of as the willingness to expend energy to achieve a goal or a reward. Motivation at work has been defined as ‘the sum of the processes that influence the arousal, direction, and maintenance of behaviors relevant to work settings’.” Motivated employees are essential to the success of an organization as motivated employees are generally more productive at the work place.

Motivational Techniques

Motivation is the impulse that an individual has in a job or activity to reaching an end goal. There are multiple theories of how best to motivate workers, but all agree that a well-motivated work force means a more productive work force.

Taylorism

Fredrick Winslow Taylor was one of the first theorist to attempt to understand employee motivation. His theory of scientific management, also referred to as Taylorism, analyzes the productivity of the workforce. Taylor’s basic theory of motivation, is that workers are motivated by money. He viewed employees not as individuals, but as pieces of a larger workforce; in doing so his theory stresses that giving employee’s individual tasks, supplying them with the best tools and paying them based on their productivity was the best way to motivate them. Taylor’s theory developed in the late 1890’s and can still be seen today in industrial engineering and manufacturing industries.

Hawthorne Effect

In the mid 1920’s another theorist, Elton Mayo, began studying the workforce. His study of the Hawthorne Works, lead him to his discovery of the Hawthorne effect. The Hawthorne effect is the idea that people change their behavior as a reaction to being observed. Mayo found that employee’s productivity increased when they knew they were being watched. He also found that employees were more motivated when they were allowed to give input on their working conditions and that input was valued. Mayo’s research and motivational theories were the start of the Human Relations school of management.

Job Design

The design of an employee's job can have a significant effect on their job motivation. Job design includes designing jobs that create both a challenging and interesting task for the employee and is effective and efficient for getting the job done. Four approaches to job design are:

1. **Job Simplification:** The goal of this job design approach is to standardize and specialize tasks. This approach does not always lead to increased motivation because the jobs can become mundane over time.
2. **Job Enlargement:** The goal of this job design approach is to combine tasks to give the employee a greater variety of work.
3. **Job Rotation:** The goal of this job design approach is to move workers to different tasks periodically.
4. **Job Enrichment:** The key to job design employee motivation, this approach aims to enhance the actual job by building up the employee through motivational factors.

Several studies validate the effectiveness of using job design techniques to increase employee motivation. A study conducted by Campion and Thayer used a job design questionnaire to determine how job designs fostering motivation affected employees. Campion and Thayer found that jobs with more motivational features have lower effort requirements, a better well-being, and fewer health complaints. The study also found that jobs scoring high on the motivational subscale of the questionnaire contained employees who were more satisfied and motivated, had a higher rating pertaining to job performance, and had fewer absences. Hackman conducted a study pertaining to work redesign and how redesigning work could improve productivity and motivation through job enlargement or enrichment. The study's results found that redesigning a job can improve the quality of the product or service that is provided, increase the quantity of work, and can increase work satisfaction and motivation. The last study on job design was conducted by Dunham, who wanted to determine if there was a relationship between job design characteristics and job ability and compensation requirements. Dunham believed organizations were overlooking job ability requirements and compensation when they enlarged or enriched employee's jobs. The study found that organizations were not taking into account the increased job ability requirements that job enrichments or enlargements entail nor were the organizations increasing compensation for employees who were given extra tasks and/or more complex tasks.

Rewards

Using rewards as motivators divides employee motivation into two categories: intrinsic and extrinsic motivation. Intrinsic rewards are internal, psychological rewards such as a sense of accomplishment or doing something because it makes one feel good. Extrinsic rewards are rewards that other people give to you such as a money, compliments, bonuses, or trophies. This applies to Douglas McGregor's Scientific Theory that formed Theory X, which applies to the extrinsic wants of employees. The basis for the motivation is supervision structure and money. Scientific Theory is based on the grounds that employees don't want to work so they have to be forced to do their job, and enticed with monetary compensation. Theory Y, also derived from McGregor's theory, says that employees are motivated by intrinsic or personal reward. With this theory different factors can be used to heighten the intrinsic benefit that employees are receiving at their job.

Many studies have been conducted concerning how motivation is affected by rewards resulting in conflicting and inconsistent outcomes. Pierce, Cameron, Banko, and so conducted a study to examine how extrinsic rewards affect people's intrinsic motivation when the rewards are based on increasingly higher performance criteria. Pierce et al. found that rewarding people for meeting a graded level of performance, which got increasingly more difficult, spent more time on the study's activities and experienced an increase in intrinsic motivation. Participants who were not rewarded at all or only rewarded for maintaining a constant level of performance experienced less intrinsic motivation. Another study that examined the effects of extrinsic rewards on intrinsic motivation was conducted by Wiersma. Wiersma conducted a meta-analysis to summarize the inconsistent results of past studies. The meta-analysis by Wiersma concluded that when extrinsic rewards are given by chance, they reduce intrinsic motivation. This result is supported when task behavior is measured during a free-time period. However, it is not supported when task performance is measured when the extrinsic reward is in effect. Wiersma also found that these results cannot be generalized to all situations. A study conducted by Earn also examined the effects of extrinsic rewards on intrinsic motivation. Earn wanted to know if extrinsic rewards affected a person's intrinsic motivation based on the subject's locus of control. Earn found that pay increases decreased intrinsic motivation for subjects with an external locus of control whereas pay increases increased intrinsic motivation for subjects with an internal locus of control. The study also found that when the controlling aspect of the extrinsic reward was made pertinent by making pay dependent on a certain amount of performance, higher pay undermined the intrinsic motivation of subjects and their locus of control was not relevant.

Intrinsic Rewards: Job Characteristics Model

The Job Characteristics Model (JCM), as designed by Hackman and Oldham attempts to use job design to improve employee intrinsic motivation. They show that any job can be described in terms of five key job characteristics:

1. **Skill Variety:** The degree to which the job requires the use of different skills and talents.
2. **Task Identity:** The degree to which the job has contributed to a clearly identifiable larger project.
3. **Task Significance:** The degree to which the job affects the lives or work of other people.
4. **Autonomy:** The degree to which the employee has independence, freedom and discretion in carrying out the job.
5. **Task Feedback:** The degree to which the employee is provided with clear, specific, detailed, actionable information about the effectiveness of his or her job performance.

The JCM links the core job dimensions listed above to critical psychological states which results in increased employee intrinsic motivation. This forms the basis of this "employee growth-need strength." The core dimensions listed above can be combined into a single predictive index, called the Motivating Potential Score.

Employee Participation

1. Increase employee participation by implementing quality control "circles". Quality control circles involve a group of five to ten problem solving employees that come together to solve

work-related problems such as reducing costs, solving quality problems, and improving production methods. Other benefits from quality control circles include an improved employee-management relationship, increased individual commitment, and more opportunities for employee expression and self-development.

A study by Marks et al. focused on assessing the effect that quality circles had on participating employees and found that the attitudes of employees who participated in quality circles were influenced in the areas concerning participation, decision making, and group communication. Although group communication was influenced, communication through the organization as a whole was not and neither was employee's personal responsibility for their work. The results of this study suggest that quality circles can provide employees with informational and social support that can help increase their motivation.

2. Increase motivation through employee participation by using open-book management. Open-book management is when a company shares important financial data with employees. Sharing the information empowers employees by putting trust into them. Employees become personally and meaningfully involved with the organization beyond just doing their assigned tasks, which increases their motivation and production. Open book management is a four-step process. The first step involves employers sharing financial data with their employees. Employees need to know how the company, as a whole, is doing financially. Next, employers must teach their employees how to read and interpret the financial data. Employees can look at all the data a company gives them; however, to understand the data, they must know how to interpret the numbers. Third, employees have to be empowered to make necessary changes and decisions for the success of the organization. Employers should treat their employees like partners to promote increased employee motivation. The last step involves employers paying their employees a fair share of profits through bonuses and incentives. Bonus numbers must be attached to numbers that employees see regularly and can influence the financial data. With these steps in mind, the friction between employees and between employee/management can be drastically reduced.

Four factors must exist for any employee participation program to be successful:

- Have a profit-sharing or gain-sharing plan where both the employer and employee benefit.
- Implement a long-term employment relationship to instill job security.
- Make a concerted effort to build and maintain group cohesiveness.
- Provide protection of the individual employee's rights.

“Work motivation is a set of energetic forces that originate both within as well as beyond an individual's being, to initiate work-related behavior and to determine its form, direction, intensity, and duration”.

Quality of Work-life Programs

Work-life balance is an employee's perception of how a proper balance between personal time, family care, and work are maintained with minimal conflict. Employers can use work-life balance as a motivational technique by implementing quality-of-work-life programs. Examples of such

programs include flextime, workplace wellness, and family support. Flexible work schedules can allow an employee to work whenever they can as long as a certain number of hours are worked each week and some employers allow their employees to work from home. Sometimes employers utilize flextime schedules that allow employees to arrive to work when they choose within specified limits. A wellness program can involve having an exercise facility, offering counseling, or even having programs set up to help employees lose weight or stop smoking cigarettes. Family support programs involve help with parenting, childcare, and some programs allow employees to leave for family purposes.

One study found that men often identify themselves with their career and work roles while women often identified themselves with the roles of mother, wife, friend, and daughter. The Sloan Foundation found that even though women enjoy working as much as men, women prefer to work nights and weekends if time needs to be made up instead of cutting their hours. A study conducted by the Alliance for Work-Life Progress surveyed employees to find out the type of workplace flexibility employees say they would like to use in the following year. Burrus et al. found that 71 percent of people want an occasional opportunity to adjust their schedule, 57 percent want to work from a location other than their office, 73 percent want to make their work-life flexibility arrangement official, and 12 percent want to work fewer hours.

Employee Engagement

A motivated employee becomes engaged in their workplace. Employee engagement is an important part of an organization's success. Research has found that organizations with engaged employees have three times higher profit margins compared to organizations with disengaged employees. Shareholder returns, operating income, and revenue growth have also had higher financial performance in employee engaged organizations. In addition, employee engagement is linked to lower absenteeism within an organization. Employers who practice employee motivation and engagement techniques in their organization will likely see an increase in overall business performance.

Motivational Theories

Maslow's Hierarchy of Needs

Abraham Maslow viewed motivation as being based off a hierarchy of needs, of which a person cannot move to the next level of needs without satisfying the previous level. Maslow's hierarchy starts at the lowest level of needs, basic physiological needs. Basic physiological needs include air, water, and food. Employers who pay at least a minimal living wage will meet these basic employee needs. The next level of needs is referred to as safety and security needs. This level includes needs such as having a place to live and knowing one is safe. Employers can meet these needs by ensuring employees are safe from physical, verbal and/or emotional hazards and have a sense of job security. The third level of needs is social affiliation and belonging. This is the need to be social, have friends, and feel like one belongs and is loved. Implementing employee participation programs can help fulfill the need to belong. Rewards such as acknowledging an employee's contributions can also satisfy these social and love needs. The fourth level on the hierarchy is esteem needs. This level is described as feeling good about one's self and knowing that their life is meaningful, valuable, and has a purpose. Employers should use the job design technique to create jobs that are important to and cherished by the employee. These first four needs, Maslow called D-Needs (deficient).

The last level Maslow described is called self-actualization. Maslow called this the B-Need (being). This level refers to people reaching their potential states of well-being. An employer who ensures that an employee is in the right job and has all other needs met will help the employee realize this highest need. “Maslow further expanded self-actualization into four needs: cognitive, aesthetic, self-actualization, and self-transcendence.”

Herzberg’s Two-factor Theory

Frederick Herzberg developed the two-factor theory of motivation based on satisfiers and dissatisfiers. Satisfiers are motivators associated with job satisfaction while dissatisfiers are motivators associated with hygiene or maintenance. Satisfiers include achievement, responsibility, advancement, and recognition. Satisfiers are all intrinsic motivators that are directly related to rewards attainable from work performance and even the nature of the work itself. Dissatisfiers are extrinsic motivators based on the work environment, and include a company’s policies and administration such as supervision, peers, working conditions, and salary. Herzberg believed providing for hygiene and maintenance needs could prevent dissatisfaction but not contribute to satisfaction. Herzberg also believed that satisfiers hold the greatest potential for increased work performance. Work-life programs are a form of satisfier that recognizes the employee’s life outside of work which, in turn, helps motivate the employee. Improving a job to make it more interesting can improve the overall satisfaction an employee is experiencing on the job. A dissatisfier looked at by employees is how relationships form with colleagues. Colleagues play an important role of the workplace as they are all interacting daily. Forming high quality relationships with peers can extrinsically improve employee motivation.

Vroom’s Expectancy Theory

The expectancy theory of motivation was established by Victor Vroom with the belief that motivation is based on the expectation of desired outcomes. The theory is based on four concepts: valence, expectancy, instrumentality and force. Valence is the attractiveness of potential rewards, outcomes, or incentives. Expectancy is a person’s belief that they will or will not be able to reach the desired outcome. Instrumentality is the belief that a strong performance will be well rewarded. Force is a person’s motivation to perform. In general, people will work hard when they think that it is likely to lead to desired organizational rewards. Vroom thought that people are motivated to work toward a goal if they believe the goal is worthwhile and if they perceive that their efforts will contribute to the achievement of that goal.

Force = Valence × Expectancy × Instrumentality

Locke’s Goal Theory

As Human Relations management took hold, increasing intrinsic motivation and attending to individuals became a larger concern for employers. Increasing intrinsic motivation could be achieved through the Goal Setting Theory by Edwin A. Locke. Employers that set realistic and challenging goals for their employees create employee motivation. By allowing employees to engage in their job, and achieve satisfaction when reaching a goal it can entice them to want to keep setting new goals to reach new successes and yield superior performance. The theory is logical because employees are going to set more difficult goals but the goals will be attainable with increased effort.

Once in the pattern of setting goals, employees can also develop goal commitment, where they are more likely to stick to jobs until they are finished.

Employees that work along side their employers in the goal-setting process have the intrinsic benefit of participating in decisions, which can lead to higher motivation as they are empowered in their workplace. As employees reach these personally set goals, management can reinforce those efforts by showing recognition toward their success.

Locke and Latham's Five Goal Setting Principles

Dr. Gary Latham collaborated with Edwin Locke to expand upon his goal setting theory of motivation with five key principles designed to motivate the accomplishment and completion of a particular objective. These five key principles align closely around the SMART goal setting strategy designed to define objectivity and achievability. The five key principles are:

1. **Clarity:** Clear goals are measurable and not ambiguous which gives clear definition as to the expectations of the objective.
2. **Challenge:** People are often motivated by the anticipated significance upon successful completion of the particular task.
3. **Commitment:** There is a direct correlation between employees motivation to complete an objective and their involvement in establishing the goal and its boundaries.
4. **Feedback:** Consistent feedback during the objective completion process provides clarity of expectations, ability to adjust difficulty, and the opportunity to gain recognition.
5. **Complexity:** People in a highly demanding environment typically already have a high level of motivation, but it is important that the goal does not overwhelm the individual to maintain motivation.

EMPLOYEE ENGAGEMENT



Many books on management cite the apocryphal story about an engaged janitor at NASA who when asked by Kennedy what he was doing, replied “I’m helping to put a man on the Moon”.

Employee engagement is a fundamental concept in the effort to understand and describe, both qualitatively and quantitatively, the nature of the relationship between an organization and its employees. An “engaged employee” is defined as one who is fully absorbed by and enthusiastic about their work and so takes positive action to further the organization’s reputation and interests. An engaged employee has a positive attitude towards the organization and its values. In contrast, a disengaged employee may range from someone doing the bare minimum at work (aka ‘coasting’), up to an employee who is actively damaging the company’s work output and reputation.

An organization with “high” employee engagement might therefore be expected to outperform those with “low” employee engagement.

Employee engagement first appeared as a concept in management theory in the 1990s, becoming widespread in management practice in the 2000s, but it remains contested. It stands in an unspecified relationship to earlier constructs such as morale and job satisfaction. Despite academic critiques, employee engagement practices are well established in the management of human resources and of internal communications.

Employee engagement today has become synonymous with terms like ‘employee experience’ and ‘employee satisfaction’. The relevance is much more due to the vast majority of new generation professionals in the workforce who have a higher propensity to be ‘distracted’ and ‘disengaged’ at work. A recent survey by StaffConnect suggests that an overwhelming number of enterprise organizations today (74.24%) were planning to improve employee experience in 2018.

William Kahn provided the first formal definition of personnel engagement as “the harnessing of organisation members’ selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances.”

In 1993, Schmidt et al. proposed a bridge between the pre-existing concept of ‘job satisfaction’ and employee engagement with the definition: “an employee’s involvement with, commitment to, and satisfaction with work. Employee engagement is a part of employee retention.” This definition integrates the classic constructs of job satisfaction, and organizational commitment.

Defining employee engagement remains problematic. In their review of the literature in 2011, Wolard and Shuck identify four main sub-concepts within the term:

1. “Needs satisfying” approach, in which engagement is the expression of one’s preferred self in task behaviours.
2. “Burnout antithesis” approach, in which energy, involvement, efficacy are presented as the opposites of established “burnout” constructs: exhaustion, cynicism and lack of accomplishment.
3. Satisfaction-engagement approach, in which engagement is a more technical version of job satisfaction, evidenced by The Gallup Company’s own Q12 engagement survey which gives an $r=.91$ correlation with one (job satisfaction) measure.
4. The multidimensional approach, in which a clear distinction is maintained between job and organisational engagement, usually with the primary focus on antecedents and consequents to role performance rather than organisational identification.

Definitions of engagement vary in the weight they give to the individual vs the organisation in creating engagement. Recent practice has situated the drivers of engagement across this spectrum, from within the psyche of the individual employee (for example, promising recruitment services that will filter out 'disengaged' job applicants) to focusing mainly on the actions and investments the organisation makes to support engagement.

These definitional issues are potentially severe for practitioners. With different (and often proprietary) definitions of the object being measured, statistics from different sources are not readily comparable. Engagement work remains open to the challenge that its basic assumptions are, as Tom Keenoy describes them, 'normative' and 'aspirational', rather than analytic or operational - and so risk being seen by other organizational participants as "motherhood and apple pie" rhetoric.

Contributors

With the wide range of definitions comes a variety of potential contributors to desirable levels of employee engagement. Some examples:

Involvement

Eileen Appelbaum and her colleagues studied 15 steel mills, 17 apparel manufacturers, and 10 electronic instrument and imaging equipment producers. Their purpose was to compare traditional production systems with flexible high-performance production systems involving teams, training, and incentive pay systems. In all three industries, the plants utilizing high-involvement practices showed superior performance. In addition, workers in the high-involvement plants showed more positive attitudes, including trust, organizational commitment and intrinsic enjoyment of the work. The concept has gained popularity as various studies have demonstrated links with productivity. It is often linked to the notion of employee voice and empowerment.

Two studies of employees in the life insurance industry examined the impact of employee perceptions that they had the power to make decisions, sufficient knowledge and information to do the job effectively, and rewards for high performance. Both studies included large samples of employees (3,570 employees in 49 organizations and 4,828 employees in 92 organizations). In both studies, high-involvement management practices were positively associated with employee morale, employee retention, and firm financial performance. Watson Wyatt found that high-commitment organizations (one with loyal and dedicated employees) out-performed those with low commitment by 47% in the 2000 study and by 200% in the 2002 study.

Commitment

Employees with the highest level of commitment perform 20% better and are 87% less likely to leave the organization, which indicates that engagement is linked to organizational performance. When employers are more empathetic, productivity will naturally increase. 85% of US employees believe that their employers are not empathetic.

Productivity

In a study of professional service firms, the Hay Group found that offices with engaged employees were up to 43% more productive. Job satisfaction is also linked to productivity.

Person Factors and Individual Differences

Frequently overlooked are employees' unique personalities, needs, motives and goals, which interact with organizational factors and interventions to influence engagement levels. On the other hand, some employees will always be more (or less) engaged and motivated than others, as the recently operationalized construct of *drive* implies. Drive is measured on the basis of 13 facets and three aspects (passion, effort, ideation).

Generating Engagement

Increasing engagement is a primary objective of organizations seeking to understand and measure engagement.

Drivers of Engagement

Some additional points from research into drivers of engagement are presented below:

- Employee's personal resources: "It is found that the positive perceptions that individuals hold of their own personal strength and ability allow them to be engaged with the organization."
- Employee perceptions of job importance: "An employee's attitude toward the job's importance and the company had the greatest impact on loyalty and customer service than all other employee factors combined."
- Employee clarity of job expectations: "If expectations are not clear and basic materials and equipment are not provided, negative emotions such as boredom or resentment may result, and the employee may then become focused on surviving more than thinking about how he can help the organization succeed."
- Career advancement / improvement opportunities: "Plant supervisors and managers indicated that many plant improvements were being made outside the suggestion system, where employees initiated changes in order to reap the bonuses generated by the subsequent cost savings."
- Regular feedback and dialogue with superiors: "Feedback is the key to giving employees a sense of where they're going, but many organizations are remarkably bad at giving it." In fact, employees that feel like their supervisors are supportive are 67% more engaged.
- Quality of working relationships with peers, superiors, and subordinates: "If employees' relationship with their managers is fractured, then no amount of perks will persuade the employees to perform at top levels. Employee engagement is a direct reflection of how employees feel about their relationship with the boss."
- Perceptions of the ethos and values of the organization: "'Inspiration and values' is the most important of the six drivers in our Engaged Performance model. Inspirational leadership is the ultimate perk. In its absence, it is unlikely to engage employees."
- Effective internal employee communications: Which convey a clear description of "what's going on".

Commitment theories are rather based on creating conditions, under which the employee will feel compelled to work for an organization, whereas engagement theories aim to bring about a situation in which the employee by free choice has an intrinsic desire to work in the best interests of the organization.

Recent research has focused on developing a better understanding of how variables such as quality of work relationships and values of the organization interact, and their link to important work outcomes. From the perspective of the employee, “outcomes” range from strong commitment to the isolation of oneself from the organization.

Family Engagement Strategy

In an increasingly convergent and globalized world, managers need to foster unique strategies that keep employees engaged, motivated and dedicated to their work. Work-life balance at the individual level has been found to predict a highly engaged and productive workforce. An important aspect of work-life balance is how well the individual feels they can balance both family and work. The family is a cultural force that differs from its values, structures and roles across the globe. However, the family can be a useful tool for global managers to foster engagement among its team. Parental support policy is being adopted among businesses around the globe as a strategy to create a sustainable and effective workforce. Research suggests businesses that provide paid parental support policy realized a 70% increase in workers productivity. Moreover, firms that provided paid parental leave gained a 91% increase in profits, by providing parents with resources to balance both work and personal life. These findings are supported by social exchange theory, which suggests that workers feel obliged to return the favour to employers in the way of hard work and dedication when compensated with additional benefits like parental support.

When using parental support as a strategy to enhance global workforce engagement, managers must consider a work-life fit model, that accounts for the different cultural needs of the family. Global leaders must understand that no one culture is the same and should consider an adaptive and flexible policy to adhere to the needs of the *individual* level. Companies may have diverse representation among its workforce that may not align with the policy offered in the external political environment. In addition, as companies expand across the globe, it is important to avoid creating a universal policy that may not adhere to the cultural conditions aboard. In a study conducted by Faiza et al., *centrality* and *influence* were two concepts used to help inform employers about the individual cultural needs of employees. *Centrality* referred to the organization understanding the social and environmental domain in which it was operating in. This is useful because managers need to understand the external factors that could influence the cultural needs and/or tensions experienced by the employees. Next, it was important for organization to allow employees to *influence* policy so that the organization could adapt policies to meet employee’s needs. Using these two factors with a work-life fit lens, organizations can create more a productive and dedicated workforce across the globe.

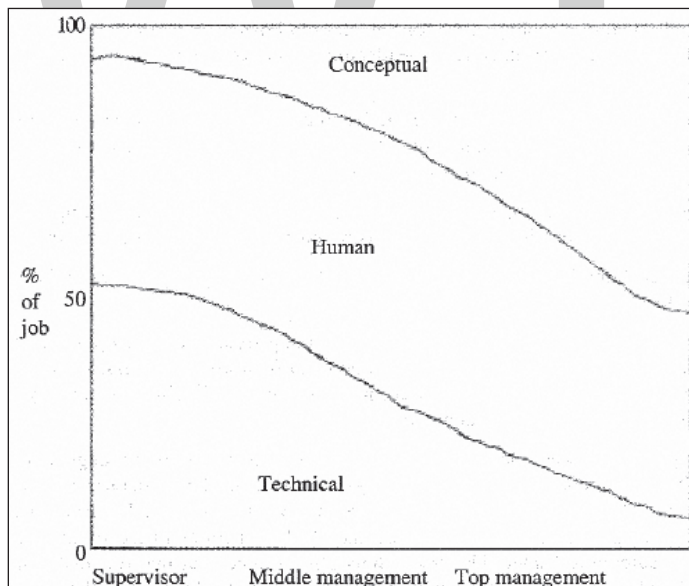
Hazards

- **Methodological:** Bad use of statistics: practitioners face a number of risks in working with engagement data, which are typically drawn from survey evidence. These include the risk of mistaking correlations for causation, making invalid comparisons between similar-sounding data drawn from diverging methodologies and/or incomparable populations, misunderstanding or misrepresented basic concepts and assumptions, and accurately establishing margins of error in data (ensuring signal and noise are kept distinct).

- **Administrative:** A focus on survey administration, data gathering and analysis of results (rather than taking action) may also damage engagement efforts. Organizations that survey their workforce without acting on the feedback appear to negatively impact engagement scores. The reporting and oversight requirements of engagement initiatives represent a claim on the scarcest resources (time and money) of the organisation, and therefore requires management time to demonstrate value added. At the same time, actions on the basis of engagement surveys are usually devolved to local management, where any 'value add' is counted in local performance. Central administration of 'employee engagement' is therefore challenging to maintain over time.
- **Ethical:** Were it proven possible to alter employees' attitudes and behaviours in the manner intended, and with the expected value-adding results for the organisation, a question remains whether it would be ethical to do so. Practitioners generally acknowledge that the old model of the psychological contract is gone, but attempting to programme a one-way identification in its place, from employee to organization, may be seen as morally and perhaps politically loaded.

LEADERSHIP SKILLS

Leaders use three different types of skills – technical, human and conceptual. Although these skills are interrelated in practice, they can be considered separately.



Technical skills relate to person's knowledge and ability in any organizational functional area. Examples are the skills learned by accountants, typists. This skill is the distinguishing feature of job performance at the operating level.

Human skill is the ability to work effectively with people and to build teamwork. No leader at any organisational level escapes the requirement for effective human skill. It is a major part of leadership behaviour.

Conceptual skill is the ability to think in terms of models, frameworks, and broad relationships, such as long range plans. Conceptual skills deal with ideas while human skill concerns people and technical skill is with things.

It will be seen from the above diagram that the mix of these three skills changes as one rises in the organisational hierarchy. At the supervisory level the requirement of technical skills is the highest. But as the person moves up the hierarchy to the top management, it is conceptual skills that are more in demands rather than technical skills. However, the requirement of human skills at all the hierarchical levels continues to be the same.

Leadership Styles

Leadership is practiced by leadership style, which is the total pattern of leaders' actions in relation to followers. It represents their philosophy, skills, and attitudes. The styles that are discussed hereunder are used in combination, not separately; but they are discussed separately to clarify differences among them.

Negative leadership gets acceptable performance in many situations, but it has high human costs. Negative leaders act domineering and superior with people. To get work done, they hold over their personnel such penalties as loss of job, reprimand in the presence of others, etc. They display authority in the false belief that it frightens everyone into productivity. They are bosses more than leaders.

Even the most competent leaders will at times have to fall back upon negative leadership. Perfection can never be achieved, but the historical trend is that managers need more and more positive leadership skills in order to be rated "satisfactory". Better employee education, greater independence, and other factors have made satisfactory employee motivation more dependent on positive leadership.

Autocratic, Participative and Free Rein Leadership Styles

The way a leader uses power establishes the type of style. Each style has its benefits and limitations. Leader behaviour is the mixture of all three styles over a period of time, but one style tends to be the dominant one.

Autocratic Leadership Style

Autocratic leaders centralize power and decision making in them. They structure the Complete work situation for their employees, who are supposed to do what they are told. The leaders take full authority and assume full responsibility. Leadership behaviour typically, is negative, based on threats and punishment; but it can be positive, because an autocratic leader can choose to give rewards to employees, in which the style becomes "benevolent-autocratic".

Some employees have expectations of autocratic leadership. The result is that they feel a certain amount of security and satisfaction with this type of leader.

Some advantages of autocratic leadership style are that it provides strong motivation and reward for the leader. It permits quick decisions, because only one person decides for the entire group. It is the best style in emergencies. Furthermore this style gives good results when one is dealing with unskilled employees doing repetitive tasks. The main disadvantage of autocratic leadership style is that most people dislike it. Frustration, dissatisfaction, fear, and conflict develop easily in

autocratic situations. Employees do not involve their “self” in the organisational activities because their drives and creativity are suppressed.

Participative Leadership Style

Participative leadership style is expression of leader’s trust in the abilities of his subordinates. The leader believes that his people are as desirous of contributing to the organisational efforts as well as they have requisite capacities. Participative leaders decentralize authority. Participative decisions are not unilateral, as with the autocrat, because they arise from consultation with followers and participation by them. The leader and group are acting as one unit. Employees are informed about conditions requiring decisions, which encourages them to express their ideas and suggestions. Whereas autocratic leaders control through the authority they possess, participative leaders exercise control mostly by using forces within the group.

Participative style is supposed to be a better style of managing people. However, it is not without its own drawbacks. This style is useless when the leader is dealing with an emergency. Furthermore, the basic assumption of this style that the people have the skill and will to help organisational effort may not be correct.

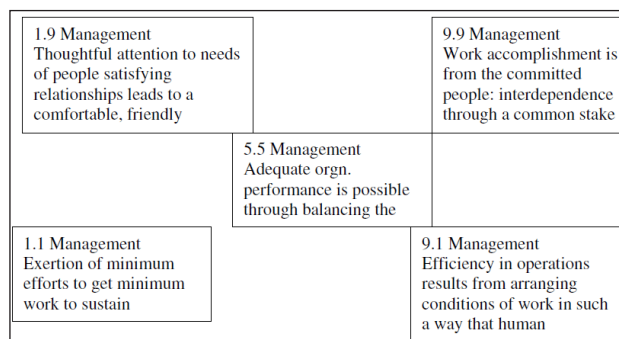
Free Rein Leadership Style

On the continuum of leadership style free rein style is the extreme. Free rein leaders avoid power and responsibility. They depend largely upon the group to establish its own goals and work out its own problems. A free rein leader is the one who abdicates all his decision making responsibilities and prerogative in favour of his follower. The leader plays only a minor role. In an organisational setting such a leader happens to be a bystander, he happens to be there because of his organizational appointment. He fails to guide, motivate and develop his subordinates.

This style tends to permit different units of an Organisation to proceed at cross-purposes, and it can degenerate into chaos. For these reasons normally it is not used as a dominant style but is useful in those situations where a leader can leave a choice entirely to the group. This style is also good when one is dealing with scientific and professional employees, who require more job-freedom.

Managerial Grid Styles

One very popular approach to identifying leadership styles of practicing managers is Blake and Mouton’s managerial grid. The following figure shows that the two dimensions of the grid are concern for people along the vertical axis and concern for production along the horizontal axis.



The five basic styles identified in the grid represent varying combinations of concern for people and production.

The 5.5 manager is the “middle-of-the-roader,” and the other two styles represent the extreme concerns of people (1.9, country club manager) and production (9.1, “task” manager). A manager’s position on the grid can be determined by a questionnaire developed by Blake and Mouton and can play an important role in Organisation Development (OD).

Rensis Likert’s Four Systems Management

Rensis Likert, the one-time director of the Institute for Social Research of the University of Michigan, presented the results of the years of similar research in his books and became best known for his “System 4” leadership styles.

Three types of variables characterize it:

1. Casual variables are the leadership styles of management in formal organisation. They include those variables that are under the control of management, e.g. organization structure and management’s policies, and decisions and their leadership styles, skills and behaviour.
2. Intervening variables, which reflect the internal climate of the organisation, such as loyalty and motivation, attitudes, perceptions, performance goals etc.
3. End-result variables, which reflect the objectives of an Organisation and are the joint product of the casual variables and the intervening variables, such as productivity, service costs, quality and earnings.

Likert’s Styles of Leadership are Classified into Four Distinct Types

System 1: Exploitative, Authoritative

The leader has no trust or confidence in his subordinates. Communication is entirely formal. Coercion and occasional reward accomplish motivation. The leader is mostly production oriented, and has virtually no concern for his followers except as an instrument of production. The leader under System 1 has a strong Theory X philosophy and is highly committed to initiating structure as a means of exercising influence. Power and position authority is the basis of this type of leadership.

System 2: Benevolent-Authoritative

The leader has confidence and trust in his subordinates. Communication is mostly formal. Reward and some coercion accomplish motivation. The leader has a limited concern for his subordinates, but is still heavily oriented towards production, System 2 is philosophically committed to Theory X, but occasionally shows consideration within the initiating structure. Power and positional authority are the primary means of enforcing compliance, although personal authority may be used to supplement legitimacy, reward and coercion. There is some delegation of authority, but control still resides in the top management.

System 3: Consultative

The leader has a lot of confidence in his subordinates, but still wishes to retain control of his decision making power. Communication is less formal. Motivation is by reward and coercion, with some involvement in decision making on the part of subordinates. The leader in system 3 is less committed to Theory X and will, as the situation demands, move towards Theory Y. Both positional authority and personal authority are used to gain the acceptance of the subordinates and to enforce their compliance.

System 4: Democratic

The leader has complete trust and confidence in his subordinates. Communication is both formal and informal, and is open in all direction. Motivation is accomplished by a system of rewards developed with the participation of leader and followers. The leader has a balanced concern for both people and production, and relies primarily on teamwork to progress in both directions.

Has a strong commitment to Theory Y. The position of power is de-emphasized, and personal authority is predominant. Recourse to positional authority is infrequent. The responsibility for result still lies with the management; but there is minimal emphasis on control. Participation is used to obtain results.

On the basis of the responses received from the managers, Likert found that “quite consistently, the high producing units fall under system 3 and 4, and the low-producing units fall under system 1 and 2”.

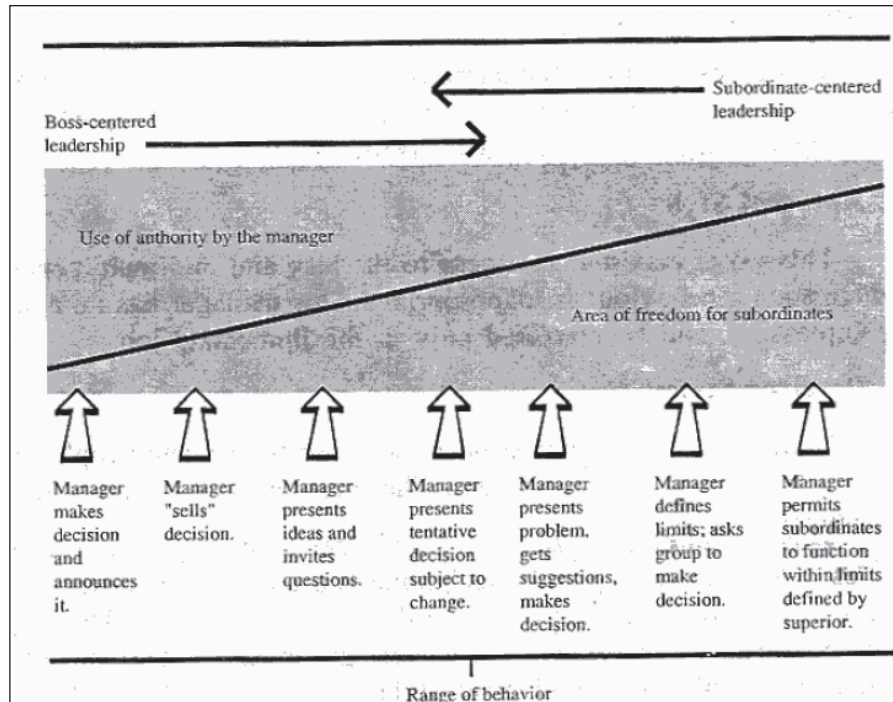
Leadership Behaviour Continuum

The originators of this theory are Tannenbaum and Schmidt. They postulate that managers often have difficulty in deciding what type of action is most appropriate for handling a situation/ particular problem. They are not sure whether to make the decision or to delegate the decisionmaking authority to subordinates. To provide insight into the meaning of leadership behaviour with regard to decision-making these authors suggest a continuum.

Leadership actions are related to the degree of authority used by managers and to the amount of freedom available to the subordinates in reaching decisions. The managerial actions depicted on the left of the continuum characterize managers who maintain a high degree of control, while these on the right designate managers who delegate decision-making authority.

It will be observed that at the one extreme end, the manager makes decision, tells his subordinates, and expects them to carry out that decision. At the other extreme, the manager fully shares his decision-making power with his subordinates, allowing each member of the group to carry an equal voice – one man, one vote. Between these two extremes fall a number of leadership style.

The selection of a particular style is dependent upon forces in the manager himself, his operating group, and the situation. There is a relationship between the degree of authority used and the amount of freedom available to subordinates in reaching decision. This continuum is seen as a zero-sum game; as one gains, the other loses, and vice versa.



The authors of the theory imply that leaders should not choose a strict “autocratic” or “democratic” style, but should be flexible enough to cope with different situations. Those leaders would be most effective who are adaptable and who can delegate authority effectively because they consider their capabilities, subordinates, and goals be accomplished.

Leadership Theories in Organisational Behaviour

Trait Theories of Leadership

The scientific analysis of leadership started off by concentrating on leaders themselves. The vital question that this theoretical approach attempted to answer was what characteristic or traits make a person a leader? The earliest trait theories, which can be traced back to the ancient Greeks and Romans, concluded that leaders are born, not made. The “great man” theory of leadership said that a person is born either with or without the necessary traits for leadership. Famous figures in history – for example, Napoleon – were said to have had the “natural” leadership abilities to rise out of any situation and become great leaders.

Eventually, the “great man” theory gave way to a more realistic trait approach to leadership. Under the influence of the behaviourist school of psychological thought, researchers accepted the fact that leadership traits can be acquired through learning and experience. Attention was turned on the search for universal traits possessed by leaders. The research efforts were generally very disappointing. Only intelligence seemed to hold up with any degree of consistency.

In general, research findings do not agree on which traits are generally found in leaders or even on which ones are more important than others. The numbers of traits required of a successful leader are many. Not only this, depending on the situation the leader has to bring in various shades of the same trait. Trait theories also suffer from the problem of semantics.

Similar to the trait theories of personality, the trait approach to leadership has provided some descriptive insight but has little analytical or predictive value. The trait approach is still alive, but now the emphasis has shifted away from personality traits toward job related skill.

Fred Fiedler's Contingency Theory of Leadership

After the trait approach was proved to fall short of being an adequate overall theory of leadership, attention turned to the situational aspects of leadership. Fred Fiedler proposed a situation based or contingency theory for leadership effectiveness.

Fiedler developed what he called a contingency model of leadership effectiveness. This model contained the relationship between leadership style and the favorableness of the situation. Fiedler described situational favourableness in terms of three empirically derived dimensions:

1. The leader member relationship, which is the most critical variable in determining the situation's favourableness.
2. The degree of task structure, which is the second most important input into the favourableness of the situation.
3. The leader's position power obtained through formal authority, which is the third most critical dimension of the situation.

Situations are favourable to the leader if all three of the above dimensions are high. In other words, if the leader is generally accepted by followers; if the task is very structured and everything is "spelled out" and if a great deal of authority and power is formally attributed to the leader's position (high third dimension). If the opposite exists the situation will be very unfavourable for the leader.

Fiedler was convinced that the favourableness of the situation in combination with the leadership style determines effectiveness. Through the analysis of research findings, Fiedler was able to discover that under very favourable and very unfavourable situations, the task-directed, autocratic type of leader was most effective. However, when the situation was only moderately favourable or unfavourable (the intermediate range of favourableness), the human relations, or lenient, type of leader was most effective.

Life Cycle Theory

It has been assumed that followers are the most crucial factor in any leadership event and that they are important not only because individually they accept or reject the leader but because as a group they actually determine whatever personal power he may possess. Theory asserts that as the level of maturity of followers increases, the leader requires not only less and less structure (task) while increasing consideration but should eventually decrease socio-emotional support (relationship).

Attempts have been made to define maturity by achievement motivation, the willingness and ability to accept responsibility and task related education and experience. As an individual matures over time he moves from a passive state to a state of increasing activity, from dependency on others to relative independence, etc. While age may be a component, it is not directly related to maturity.

The leader behaviour should move through high task low relationship behaviour, to high task high relationships, and high relationships-low task behaviour, to low task-low relationships behaviour, if followers progress from immaturity to maturity.

The life cycle theory provides appropriate leadership styles according to maturity of one's followers. This cycle is also distinguishable in various organisations in the interaction between superiors and subordinates. In working with highly trained and emotionally mature personnel, an effective leader behaviour relates to low task-low relationships. Usually, in a basically crises-oriented organisation such as military or the police, the most suitable style is the high task-low relationships. However, within the military itself, this style is frequently ineffective in working with research and development personnel who want limited amount of both structure and emotional support. Even in this group, some deviation from this style is needed.

Overall, Life Cycle Theory asserts that with people of below average maturity, a high task style promises best probability of success while dealing with people of average maturity, the styles of high task and high relationships and high relationships and low task appear to be most suitable. The low task and low relationship style provides the highest probability of success with people of above average maturity.

Path-goal Leadership Theory

Robert House of the University of Toronto initially developed this theory, and House and Mitchell later refined it. It is called 'path-goal approach' because its primary concern is the leaders' influence on his followers' perception of their work goals, personal goals and paths to achievement of these goals. It is based on the notion that a leader behaviour motivates and satisfies his followers to such an extent that it promotes the attainment of the followers' goals and clears the path to attainment of these goals. It uses expectancy framework from motivation theory of Vroom. Leadership, according to this path-goal theory is closely related to motivation, on the one hand, and the power, on the other. In essence, the theory attempts to explain the impact that leader behaviour has on followers' motivation, satisfaction and performance. According to the authors of the theory there are four basic or major styles of leadership behaviour.

They are:

1. **Directive Leadership:** Here the subordinates know exactly what is expected of them and the leader gives specific directions. There is no participation by the subordinates. When the demands of task on hand are ambiguous or when organisational procedures, rules and policies are not clear, a directive leader may complement the task by providing the necessary guidance and psychological structure for his followers. When the demands of the task are clear to the followers, high level of directive leadership may impede effective performance.
2. **Supportive Leadership:** The leader is friendly and approachable and shows a genuine interest for subordinates. This style of leadership has its most positive effect on the satisfaction of followers who perform tasks that are full of stress, and are frustrating and unsatisfactory or unsatisfying.
3. **Participative Leadership:** The leader asks for and uses suggestions from subordinates but takes the decision by himself.
4. **Achievement-oriented Leadership:** The leader sets challenging goals for subordinates and shows confidence in them to attain these goals and perform well. For followers performing ambiguous, non-repetitive tasks the higher the achievement orientation of the leader the more confident they would be that their efforts would pay-off in effective performance. Contrary would be the case, when followers perform unambiguous and repetitive tasks.

The path goal theory suggests that these various styles can be and actually are used by the same leader depending on the characteristics of the subordinates and the environmental pressures.

House has concluded that a high degree of direction in autonomous or ambiguous situations increases satisfaction by clarifying the path to Goal achievement. In contrast, strongly defined tasks are performed best with greater employee satisfaction when the leader demonstrates high consideration. The autonomous jobs are most intrinsically satisfying than structured activities are. As a result, leader behaviour will be less relevant to the needs or performance of subordinates than when the path is more difficult to negotiate.

STRESS

“Stress is a physiological abnormality at the structural or bio-chemical level caused by overloading experiences.”

“Stress is an adaptive response to an external situation that results in physical, psychological and or behavioural deviations”.

The stress can be categorised as under:

Eustress

This stress is because of the sudden overjoy. Fortunately this type of stress is not longlasting. Furthermore it is a state of happiness. Eustress, therefore, is not harmful, being occasional and fleeting.

Distress

This is anti-thesis of eustress. Distress is caused whenever a person is suddenly very sad or angry. Distress is caused because of the demands of the modern life and anxiety to cope with them. This results in feelings of inadequacy, anxiety, nervousness, loss etc. This type of stress is harmful. It is this stress that has caused more havoc in the executive life. It is this stress that justifies the saying “Ulcer is the surest sight of executive success”.

Since it is distress that takes a heavy toll of executive efficiency, the organisations should try to alleviate it. An atmosphere of objectivity and mutual trust would go a long way in reducing distress.

Hyper Work Stress

This type of stress is caused because of the hyper activity and travails of life to meet deadlines etc. Target mindedness and the eleventh hour rush or continuous overwork cause hyper stress. The key therefore, to deal with hyper stress lies in good planning.

Hypo Stress

This type of stress is the opposite of the hyper stress. This stress is caused by less than optimum activity. The effects of hypo stress are slower than other types but are more penetrating and longer lasting. There are examples when the Organisation have deliberately created hypo stress by denying legitimate work to their employees. Such situations, beyond creating stress, deprive a person of the fulfillment

of self-esteem needs. More often the retired persons experience this stress. For them it is a transition from hyper to hypo stress. This underlines the necessity of planning the post-retirement period, doing proper time management by planning activities so that an individual remains optimally busy.

The above discussion shows that whatever an individual does or does not so, there is always some sort and some amount of stress on him. This is why stress is known as “non-specific response of the body to the situation.

There are three broad categories of stressors. They are :

- Organizational stressors;
- Life stressors; and
- Personal stressors.

Organisational Stressors

Organisational membership is a dominant source of stress. The concept of organizational stress was first evolved in the classic work of Kahn et al. They were the earliest to draw attention to organisational stress in general and role stress in particular.

Some of the organisational stressors are intrinsic to the job. They are boredom, time pressures and deadlines, exorbitant work demands and technical problems.

Some organisational stressors relate to the role in the Organisation. They are role ambiguity, role conflict, role overload etc.

Some organisational stressors relate to the organizational structure and the climate. They are lack of participation in the decision-making, lack of responsiveness and appreciation, pressures towards conformity etc.

Life Stressors

Life stressors can be categorised in three classes. They are:

- Life changes
- Daily stressors
- Life trauma

Personal Stressors

Personal stressors relate to the personal health and the familial life of an individual. They are like menopause or male menopause, commuting problems, reduced self-confidence as a result of aging etc.

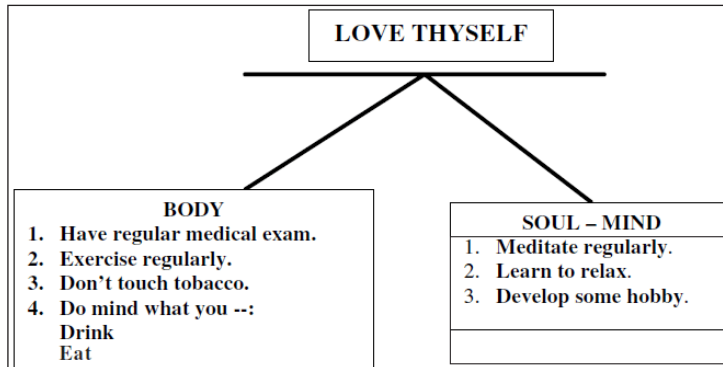
Management of Stress

Since the stress affects an individual in his body and mind, it is that individual who is to do something about his stress. The diagram below gives the strategies that can be adopted by an individual to cope with stress.

Stress: Personal coping strategies

Know your personality type.

Recognition is half the solution.



Know Your Personality Type

Stress can affect different people in different ways. The most fully developed individual relating specifically to stress is the distinction between type A and type B personality profiles.

Type A people are the people who create unnecessary stress for themselves. On the contrary type B people are the ones who are mild mannered and take the life as it comes. Type B persons are not stress prone individuals. However people are not purely type A or type B; instead people tend toward one or the other type. Also the relationship between personality and health problems (such as heart disease) is unclear.

Recognition is Half the Solution

One must remember an important facet of stress. Most of the time a person does not understand that he is under stress. How do you recognise that you are under stress? Self report measure provide clear indication that people who know us closely and observe us frequently can say with certain degree of accuracy, whether we are under stress or not. To the question “Did anyone tell you that you are under stress?” Most of the executives reported that it is their wives who told them that they are under stress. A relatively less number said it was their friends and colleagues who could correctly detect that they are under stress. Correct detection is possible by these people because of some specific symptoms when stress still operates at behavioural and psychosomatic level. Awareness of these symptoms will help us to recognize when we are under stress.

Some Behavioural Symptoms of Stress are:

- Low productivity, decreased work performance;
- Tendency to remain absent from work;
- Much of interpersonal conflict;
- Tendency to remain isolated;
- Sudden change in habit (clothing, eating, drinking);

- Talking around a subject;
- Poor eye contact while talking;
- Making others look ridiculous;
- Brooding; feeling worthless;
- Frequent references to death, suicide etc.
- Some Psychosomatic Symptoms of Stress are:
- Sleep disturbance;
- High blood pressure;
- Stress diabetes;
- Bowel irritation;
- Back ache;
- High blood pressure;
- Sexual dysfunction.

Love your Body

Our body is the vehicle that enables to perceive, understand the world. It is because of our body that we are known in this world. It is through our body that we experience the world. It is only when we love our body that we will take proper care of it. Loving is not pampering. The following are some tips to deal with stress by making our body strong.

Have a Regular Medical Checkup

Unfortunately we are not health conscious. A regular medical check is a preventive measure, especially when one is beyond forties. It is advisable that if a person is below 40 he must have a medical checkup at least once a year. Beyond 45th year of age the health checkup should be at least twice a year.

Do Exercise Regularly

To effectively cope with stress a healthy body is a must. One can raise defenses against stress by regular exercises. One may take any type of exercise. The exercise of walking is the best for all the ages. Walking as an exercise should be minimally five to six kilometres at a stretch at the speed not less than one and a half kilometres per minute. For a person beyond thirty-five strenuous exercise is contra indicated.

Don't Touch Tobacco

The medical research has amply demonstrated that tobacco is carcinogenic substance. The research also tells that passive smoking is more harmful than active smoking.

Do Mind what you Eat

- **Eat:** One must be careful about what one eats. What we are largely depends on what we eat. As far as possible oily and pungent food be avoided. This has tendency to cause more secretion of digestive acids, which erode the mucus membrane of the stomach. This results in ulceration. It is also better if one avoids eating non-vegetarian food which is rich in calories and cholesterol and lack fiber.
- **Drink:** Drink minimally three to four litres of water daily. Avoid alcoholic beverages. Alcohol contains calories but has no food value. Especially the use of tobacco with alcohol is injurious to health.

Love your Mind

We have already said that the happy as well as unhappy situations cause secretion of adrenaline. The remedy is to keep the mind tranquil. It is realised that keeping the mind tranquil is easily said than done. The tradition has always been stressing importance of meditation. The idea is that in meditation a person takes away his mind for some time from the usual surroundings, which serves as a respite. In the modern times many new therapies of meditation have come. The Western countries are so-much convinced of the utility of meditation as a way of keeping the mind tranquil that some firms have reserved separate rooms for meditation for their executives.

Organisational Strategies for Managing Employee Stress

- Create supportive organisational climate.
- Convince employees that their contributions are significant.
- Rotate employees out of potentially stressful positions and do not allow them to overwork.
- Organise training programs to help employees cope with stress provide employee counselling.

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Organization: Structure and Communication

4

CHAPTER

The system which defines the manner in which specific activities of an organization are directed and divided to achieve business goals is known as organizational structure. The study of formal and informal communications within organization is called organizational communication. This chapter delves into organizational structure and communication to provide an in-depth understanding of it.

ORGANIZATIONAL STRUCTURE

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

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

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

Businesses of all shapes and sizes use organizational structures heavily. They define a specific hierarchy within an organization. A successful organizational structure defines each employee's job and how it fits within the overall system. Put simply, the organizational structure lays out who does what so the company can meet its objectives.

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

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

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

Centralized vs. Decentralized Organizational Structures

An organizational structure is either centralized or decentralized. Traditionally, organizations have been structured with centralized leadership and a defined chain of command. The military

is an organization famous for its highly centralized structure, with a long and specific hierarchy of superiors and subordinates.

There has been a rise in decentralized organizations, as is the case with many technology startups. This allows companies to remain fast, agile, and adaptable, with almost every employee receiving a high level of personal agency.

Importance of Organizational Structure

The following are the importance of organisational structure:

Define and Support Organizational Mission

At the foundation of a company's organizational structure is its mission; it's the reason it does what it does. A good organizational structure will support a company's mission, and it will attempt to meet the needs of various stakeholders. Even though some knee-jerk capitalists will state that the mission of their company is to make money, there must be more to it than this.

For example, Apple had a lofty mission to "put a dent in the universe." Apple set its organizational structure around a strong leader in Steve Jobs, who, many would argue, did exactly that.

Set Organizational Priorities

Sound organizational structure helps set priorities. How resources are earmarked communicates what is and isn't important to an enterprise. Most companies set priorities, high-to-low, with their overall brand image as their very top concern. Other priorities might include strategic initiatives, sales, growth, operational efficiencies, security, and regulatory compliance.

Where each is placed says a lot about the company. For example, compliance issues might be critical to a healthcare facility, but are less so for a company selling garden tools.

Determine Departmental and Personnel Functions

Organizational charts often build departmental and personnel responsibilities based on an organization's structure. Roles within the structure are based on areas of specialization. For example, the sales department might have sales people, managers, administrative assistants, but the function of the team is to sell products. Customer service, human resources, finance and similar departments, each have their own unique functions.

Outline Execution of Priorities and Functions

Structure also determines how things will be done within your organization. This is an area in which a well-developed org chart is helpful. It shows who does what, and who answers to whom. Employees have job titles, which, in turn, have job descriptions that delineate responsibilities.

How everyone interacts and what they do within the organization should support the mission and the top priorities of the organization. For example, a hospital that prioritizes patient care would have a much different structure than an automobile company measuring success by sales alone.

Structure allows for Better Communication

Since the flow of information is essential to an organization's success, the organizational structure should be designed to with clear lines of communication in mind. For example, the financial planning and analysis department might report to the Chief Financial Officer and the Senior Vice President of Marketing, because both of these members of the top management team depend on information and reports provided by financial planning.

Clear Reporting Relationships

Reporting relationships must be clear so all members of the organization understand what their responsibilities are and know to whom they are accountable; otherwise, responsibility for a task may fall through the cracks. These clear relationships make it easier for managers to supervise those in lower organization levels. Each employee benefits by knowing whom they can turn to for direction or help. In addition, managers are aware of who is outside the scope of their authority, so they do not overstep their bounds and interfere with another manager's responsibilities.

Growth and Expansion

Companies that grow rapidly are those that make the best use of their resources, including management talent. A sound organization structure ensures that the company has the right people in the right positions. The structure may suggest weak spots or deficiencies in the company's current management team.

As the company grows, the organization structure must evolve with it. Many times more layers of management are created, when one department head has too many individuals reporting to him at one time to give each employee the attention and direction needed for the employee to succeed.

Efficient Task Completion

A well-designed organization structure facilitates the completion of projects. Project managers can better identify the human resources available to them if the scope of each department's responsibility – and each team member's capabilities – are clear. A project to develop a new product would require market research, for instance. The project manager needs to know who in the organization can provide this research, and whose permission must be obtained for the research to be done.

Fits Company's Needs

Companies in different industries require different mixes of talent and a relatively greater emphasis on certain management functions. A software company often has a large development staff, for example. Structuring the reporting relationships within the development team so creativity and productivity are maximized, and deadlines are met, is vital to that type of company's success.

Companies often have to go through a reorganization phase in which individual positions or even whole departments are repositioned on the organization chart in an effort to better utilize the company's human resources and make the operation run more smoothly.

Factors for Designing Organisational Structure

The following factors need to be considered in designing an effective organisational structure:

- i. Environment.
- ii. Technology
- iii. Size of the organisation, and
- iv. Strategy.

Environment

It is an important factor affecting the organisational design. It would consider the impact of customers, suppliers, competitors, legal and political changes and cultural and economic conditions.

Technology

Technology is a combination of tools, techniques and know-how and has a major influence on organisational structure. The design of the organisational structure would depend upon whether the technology is simple and routine requiring few repetitive tasks.

Joan Woodward studied the relationship between technology and organisational structure in the early 1960's among some English manufacturing firms. She concluded that technology is a major influence on organisational structure.

Size of the Organisation

The size of the organisation also affect the organisational structure. A big size of organisation may increase the number of functional departments, number of managerial levels, and number of employees with diversified responsibilities.

Strategy

The strategy has a definite influence on structure. The structure is highly influenced by strategy. There are primarily two strategies. Stability strategy and growth strategy. The stability strategy involves a predicted environment and a little chance in external changes. The growth strategy involves expansion thus introducing the element of complexity and uncertainty.

Organisational structure refers to the way in which an organisation's activities are divided—Organised and coordinated. Ernest Dale's description of organising consists five-step process provides a good framework for the discussion of organisational structure.

- i. List the work that needs to be done to accomplish organisation goals. For example a hospital's goal of caring for the sick would involve tasks ranging from purchasing equipment and supplies to hiring staffs and applying for accreditation or recognition, from various professional organisations.

- ii. Divide the total work load into tasks that can logically and comfortably be performed by individuals or groups. This is referred to as the division of work.
- iii. Combine task in a logical and efficient manner. The grouping of employees and tasks is generally referred to as departmentalization.
- iv. Set up mechanisms for coordination. This integration of individual, group and department efforts makes it easier to achieve goals.
- v. Monitor the organisational structure's effectiveness and make adjustments as needed.

TYPES OF ORGANIZATIONAL STRUCTURE

All managers must bear that there are two organisations they must deal with-one formal and the other informal.

The formal organisation is usually delineated by an organisational chart and job descriptions. The official reporting relationships are clearly known to every manager.

Alongside the formal organisation exists an informal organisation which is a set of evolving relationships and patterns of human interaction within an organisation that are not officially prescribed.

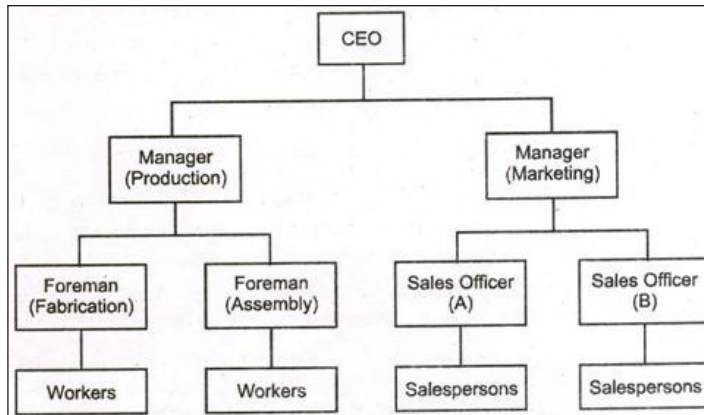
Formal organisational structures are categorised as:

- i. Line organisational structure.
- ii. Staff or functional authority organisational structure.
- iii. Line and staff organisational structure.
- iv. Committee organisational structure.
- v. Divisional organisational structure.
- vi. Project organisational structure.
- vii. Matrix organisational structure.
- viii. Hybrid organisational structure.

Line Organisational Structure

A line organisation has only direct, vertical relationships between different levels in the firm. There are only line departments-departments directly involved in accomplishing the primary goal of the organisation. For example, in a typical firm, line departments include production and marketing. In a line organisation authority follows the chain of command.

Below figure illustrates a single line organisational structure.



Line Organisational Structure.

Features

Has only direct vertical relationships between different levels in the firm.

Advantages

1. Tends to simplify and clarify authority, responsibility and accountability relationships.
2. Promotes fast decision making.
3. Simple to understand.

Disadvantages

1. Neglects specialists in planning.
2. Overloads key persons.

Some of the advantages of a pure line organisation are:

1. A line structure tends to simplify and clarify responsibility, authority and accountability relationships. The levels of responsibility and authority are likely to be precise and understandable.
2. A line structure promotes fast decision making and flexibility.
3. Because line organisations are usually small, managements and employees have greater closeness.

However, there are some disadvantages also. They are:

1. As the firm grows larger, line organisation becomes more ineffective.
2. Improved speed and flexibility may not offset the lack of specialized knowledge.
3. Managers may have to become experts in too many fields.
4. There is a tendency to become overly dependent on the few key people who an perform numerous jobs.

Staff or Functional Authority Organisational Structure

The jobs or positions in an organisation can be categorized as:

Line position

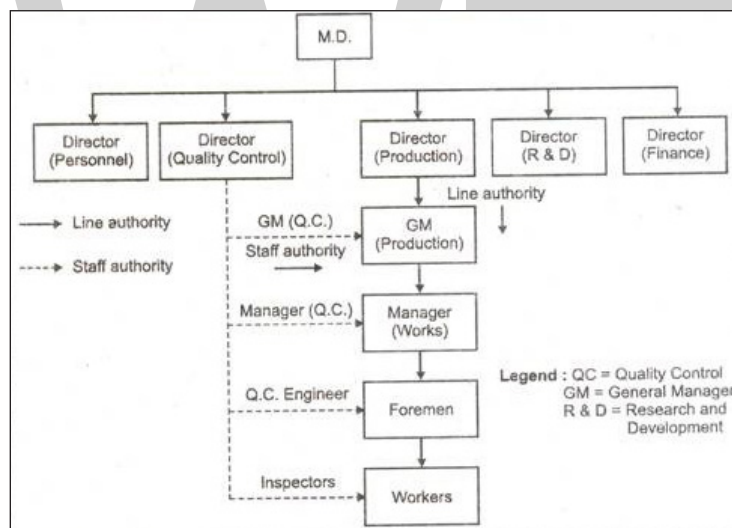
A position in the direct chain of command that is responsible for the achievement of an organisation's goals.

Staff position

A position intended to provide expertise, advice and support for the line positions.

The line officers or managers have the direct authority (known as line authority) to be exercised by them to achieve the organisational goals. The staff officers or managers have staff authority (i.e., authority to advise the line) over the line. This is also known as functional authority.

An organisation where staff departments have authority over line personnel in narrow areas of specialization is known as functional authority organisation. Below figure illustrates a staff or functional authority organisational structure.



Staff or Functional Authority Organisational Structure.

In the line organisation, the line managers cannot be experts in all the functions they are required to perform. But in the functional authority organisation, staff personnel who are specialists in some fields are given functional authority (The right of staff specialists to issue orders in their own names in designated areas).

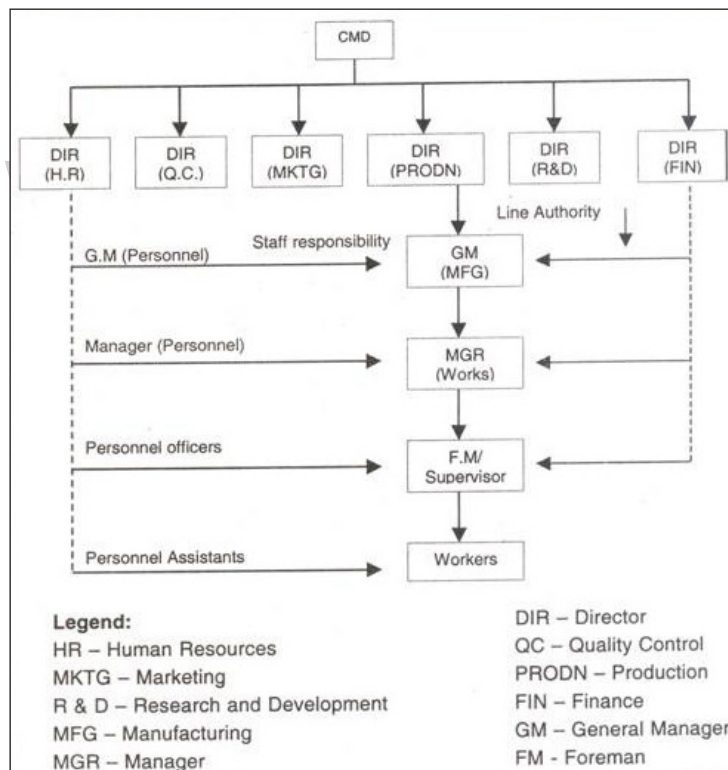
The principle of unity of command is violated when functional authority exists i.e., a worker or a group of workers may have to receive instructions or orders from the line supervisor as well as the staff specialist which may result in confusion and the conflicting orders from multiple sources may lead to increased ineffectiveness. Some staff specialists may exert direct authority over the line personnel, rather than exert advice authority (for example, quality control inspector may direct the worker as well as advise in matters related to quality).

While this type of organisational structure overcomes the disadvantages of a pure line organisational structure, it has some major disadvantages:

1. The potential conflicts resulting from violation of principle of unity of command
2. The tendency to keep authority centralized at higher levels in the organisation.

Line and Staff Organisational Structure

Most large organisations belong to this type of organisational structure. These organisations have direct, vertical relationships between different levels and also specialists responsible for advising and assisting line managers. Such organisations have both line and staff departments. Staff departments provide line people with advice and assistance in specialized areas (for example, quality control advising production department).



Line and Staff Organisational Structure.

Above figure illustrates the line and staff organisational chart. The line functions are production and marketing whereas the staff functions include personnel, quality control, research and development, finance, accounting etc. The staff authority of functional authority organisational structure is replaced by staff responsibility so that the principle of unity of command is not violated.

Three types of specialized staffs can be identified:

1. Advising,
2. Service,
3. Control.

Some staffs perform only one of these functions but some may perform two or all the three functions. The primary advantage is the use of expertise of staff specialists by the line personnel. The span of control of line managers can be increased because they are relieved of many functions which the staff people perform to assist the line.

Advantages

1. Even through a line and staff structure allows higher flexibility and specialization it may create conflict between line and staff personnel.
2. Line managers may not like staff personnel telling them what to do and how to do it even though they recognize the specialists' knowledge and expertise.
3. Some staff people have difficulty adjusting to the role, especially when line managers are reluctant to accept advice.
4. Staff people may resent their lack of authority and this may cause line and staff conflict.

Features

1. Line and staff have direct vertical relationship between different levels.
2. Staff specialists are responsible for advising and assisting line managers/officers in specialized areas.
3. These types of specialized staff are (a) Advisory, (b) Service, (c) Control e.g.,
 - Advisory: Management information system, Operation Research and Quantitative Techniques, Industrial Engineering, Planning etc.
 - Service: Maintenance, Purchase, Stores, Finance, Marketing.
 - Control: Quality control, Cost control, Auditing etc. Advantages':
 - Use of expertise of staff specialists.
 - Span of control can be increased
 - Relieves line authorities of routine and specialized decisions.
 - No need for all round executives.

Disadvantages

1. Conflict between line and staff may still arise.
2. Staff officers may resent their lack of authority.
3. Co-ordination between line and staff may become difficult.

Committee Organisational Structure Features

1. Formed for managing certain problems/situations
2. Are temporary decisions.

Advantages

1. Committee decisions are better than individual decisions.
2. Better interaction between committee members leads to better co-ordination of activities.
3. Committee members can be motivated to participate in group decision making.
4. Group discussion may lead to creative thinking.

Disadvantages

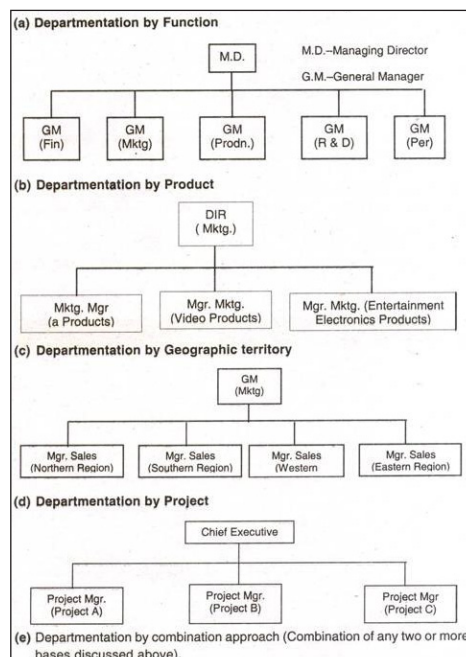
1. Committees may delay decisions, consume more time and hence more expensive.
2. Group action may lead to compromise and indecision.
3. 'Buck passing' may result.

Divisional Organisational Structure

In this type of structure, the organisation can have different basis on which departments are formed. They are:

1. Function,
2. Product,
3. Geographic territory,
4. Project and
5. Combination approach.

Exhibit illustrates organisational structures formed based on the above basis of departmentation.



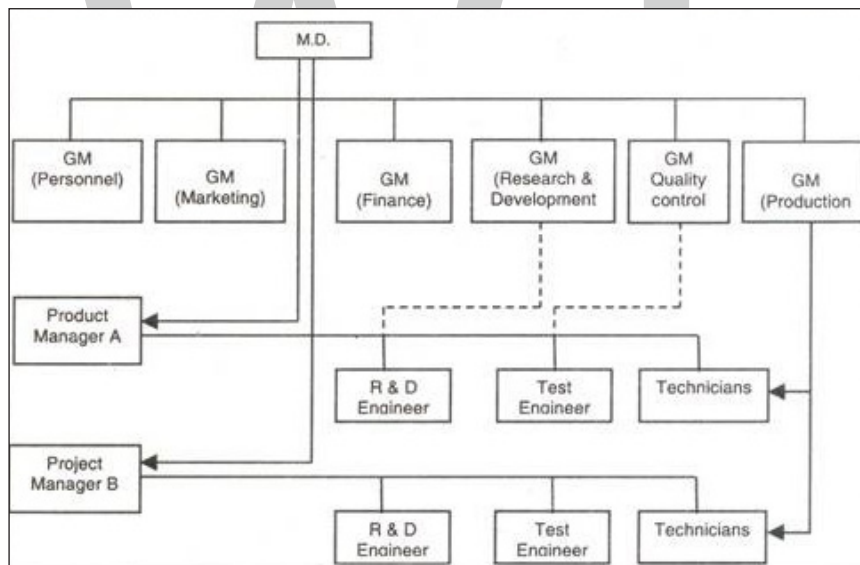
Divisional Organisational Structure(Departmentation).

Project Organisational Structure

The line, line and staff and functional authority organisational structures facilitate establishment and distribution of authority for vertical coordination and control rather than horizontal relationships. In some projects (complex activity consisting of a number of interdependent and independent activities) work process may flow horizontally, diagonally, upwards and downwards. The direction of work flow depends on the distribution of talents and abilities in the organisation and the need to apply them to the problem that exists. The cope up with such situations, project organisations and matrix organisations have emerged.

A project organisation is a temporary organisation designed to achieve specific results by using teams of specialists from different functional areas in the organisation. The project team focuses all its energies, resources and results on the assigned project. Once the project has been completed, the team members from various cross functional departments may go back to their previous positions or may be assigned to a new project. Some of the examples of projects are: research and development projects, product development, construction of a new plant, housing complex, shopping complex, bridge etc.

Below figure illustrates a project organisational structure.



Project Organisational Structure.

Feature

Temporary organisation designed to achieve specific results by using teams of specialists from different functional areas in the organisation.

Importance of Project Organisational Structure

Project organisational structure is most valuable when:

1. Work is defined by a specific goal and target date for completion.
2. Work is unique and unfamiliar to the organisation.

3. Work is complex having independent activities and specialized skills are necessary for accomplishment.
4. Work is critical in terms of possible gains or losses.
5. Work is not repetitive in nature.

Characteristics of Project Organisation

1. Personnel are assigned to a project from the existing permanent organisation and are under the direction and control of the project manager.
2. The project manager specifies what effort is needed and when work will be performed whereas the concerned department manager executes the work using his resources.
3. The project manager gets the needed support from production, quality control, engineering etc. for completion of the project.
4. The authority over the project team members is shared by project manager and the respective functional managers in the permanent organisation.
5. The services of the specialists (project team members) are temporarily loaned to the project manager till the completion of the project.
6. There may be conflict between the project manager and the departmental manager on the issue of exercising authority over team members.
7. Since authority relationships are overlapping with possibilities of conflicts, informal relationships between project manager and departmental managers (functional managers) become more important than formal prescription of authority.
8. Full and free communication is essential among those working on the project.

Matrix Organisational Structure

It is a permanent organisation designed to achieve specific results by using teams of specialists from different functional areas in the organisation. The matrix organisation is illustrated in Exhibit.

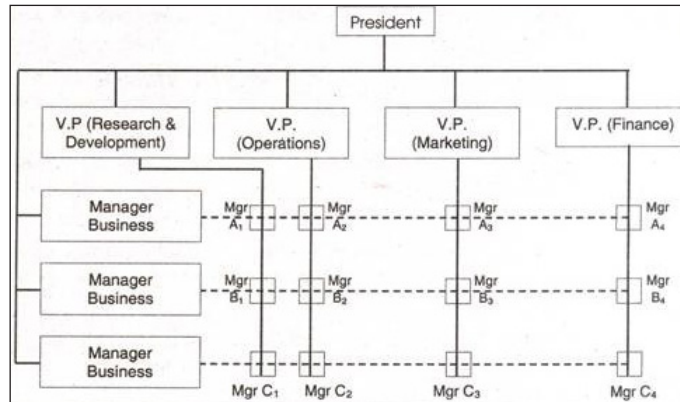
Feature

Superimposes a horizontal set of divisions and reporting relationships onto a hierarchical functional structure

Advantages

1. Decentralised decision making.
2. Strong product/project co-ordination.
3. Improved environmental monitoring.

4. Fast response to change.
5. Flexible use of resources.
6. Efficient use of support systems.



Matrix Organisational Structure.

Disadvantages

1. High administration cost.
2. Potential confusion over authority and responsibility.
3. High prospects of conflict.
4. Overemphasis on group decision making.
5. Excessive focus on internal relations.

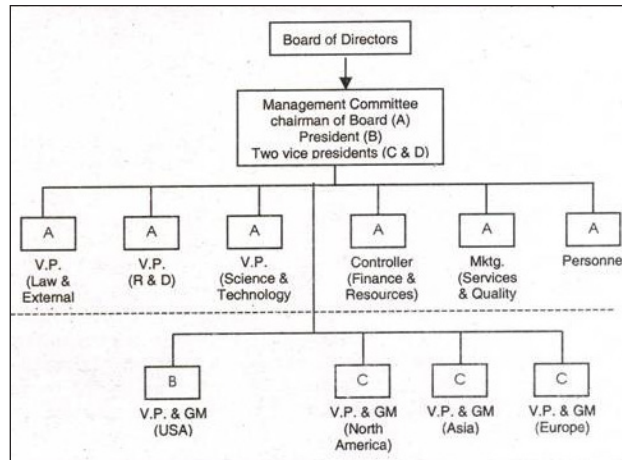
This type of organisation is often used when the firm has to be highly responsive to a rapidly changing external environment.

In matrix structures, there are functional managers and product (or project or business group) managers. Functional manager are in charge of specialized resources such as production, quality control, inventories, scheduling and marketing. Product or business group managers are incharge of one or more products and are authorized to prepare product strategies or business group strategies and call on the various functional managers for the necessary resources.

The problem with this structure is the negative effects of dual authority similar to that of project organisation. The functional managers may lose some of their authority because product managers are given the budgets to purchase internal resources. In a matrix organisation, the product or business group managers and functional managers have somewhat equal power. There is possibility of conflict and frustration but the opportunity for prompt and efficient accomplishment is quite high.

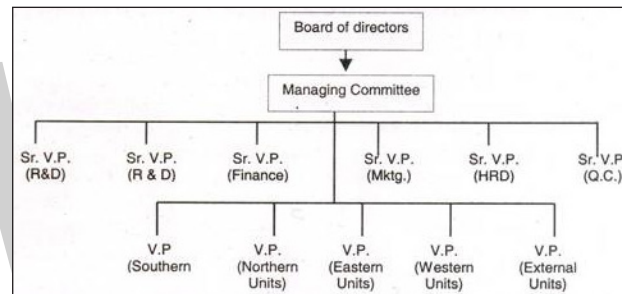
Hybrid Organisational Structure

Below figure illustrates the hybrid organisational structure.



Hybrid Organisational Structure(IBM Structure).

Below figure illustrates a combination structure



Combination Structure(Functional and geographic divisions).

Advantages

1. Alignment of corporate and divisional goals.
2. Functional expertise and efficiency.
3. Adaptability and flexibility in divisions.

Disadvantages

1. Conflicts between corporate departments and units.
2. Excessive administration overhead.
3. Slow response to exceptional situations.

Uses

Used in organisations that face considerable environmental uncertainty that can be met through a divisional structure and that also required functional expertise or efficiency.

This type of structure is used by multinational companies operating in the global environment, for example, International Business Machines USA. This kind of structure depends on factors such as

degree of international orientation and commitment. Multinational corporations may have their corporate offices in the country of origin and their international divisions established in various countries reporting to the CEO or president at the headquarters. The international divisions or foreign subsidiaries may be grouped into regions such as North America, Asia, Europe etc. and again each region may be subdivided into countries within each region.

While the focus is on international geographic structures, companies may also choose functional or process or product departmentation in addition to geographic pattern while at the head quarter's the departmentation may be based on function.

The Informal Organisation

An informal organisation is the set of evolving relationships and patterns of human interaction within an organisation which are not officially presented. Alongside the formal organisation, an informal organisation structure exists which consists of informal relationships created not by officially designated managers but by organisational members at every level. Since managers cannot avoid these informal relationships, they must be trained to cope with it.

The Informal Organisation has the following Characteristics

- i. Its members are joined together to satisfy their personal needs (needs for affiliation, friendship etc.)
- ii. It is continuously changing:
- iii. The informal organisation is dynamic.
- iv. It involves members from various organisational levels.
- v. It is affected by relationship outside the firm.
- vi. It has a pecking order: certain people are assigned greater importance than others by the informal group.

Even though an informal organisational structure does not have its own formal organisational chart, it has its own chain of command:

Benefits of Informal Organisation

- i. Assists in accomplishing the work faster.
- ii. Helps to remove weakness in the formal structure.
- iii. Lengthens the effective span of control.
- iv. Compensation for violations of formal organisational principles.
- v. Provides an additional channel of communication.
- vi. Provides emotional support for employees.
- vii. Encourages better management.

Disadvantages of Informal Organisation

- i. May work against the purpose of formal organisation.
- ii. Reduces the degree of predictability and control.
- iii. Reduces the number of practical alternatives.
- iv. Increases the time required to complete activities.

ORGANIZATIONAL COMMUNICATION

Organizational communication is the exchange of information, ideas, and views within and outside the organization. Organizational communication indicates communication not only in business but also in hospitals, churches, government agencies, military organization, and academic institutions. Every organization whether business or non-business has some specific goals and stakeholders. Attainment of those goals depends on successful communication with the respective stakeholder groups.

Therefore, communication is considered as the part and parcel of any organization.



Organizational communication is the exchange of information with the internal and external stakeholders of an organization. It is not only concerned with the effectiveness of the individual communication, but with the role of communication in contributing to the effective functioning of the organization. Organizational communication encompasses communication in all types of organizations.

Nature of Communication

Communication can be pervaded in every area of human existence. By simply crying and moping fully newborn babies convey what is this great about their appearance in this world. By means of creating your smile these people probably express his or her anticipation with regard to mother's appreciation as well as love. Communication represents the important role inside personal existence, family member's existence, cultural existence, company existence and many others. Development Communication with relationships, cultures, civilizations and many others the two inside micro as well as macro amount are determined by successful effective communication. The nature of communication is discussed below:

1. Communication is related to human activity: Communication exchanges are actually directly linked with every single ball of human being lifetime. It is necessary within primary some sort of substantial human being lifetime. Taking pleasure in restful lifetime, acquiring person-to-person interactions, creating a flourishing point out and so on. Aren't probable without having communication exchanges.
2. Communication involves two or more parties: At least, two parties are involved in virtually any communication exchange process. This party exactly who communicates information is known as sender and the party exactly who is provided with the info is known as a device. Even so in some instances some sort of sender could send out a message for you to many receivers.
3. Communication could be one-way or maybe two-way process: Communication might take the design involving two-way or maybe one-way process. With two-way communication, the receiver sends his feedback to the sender after receiving the message. One-way communication means you move involving information style sender to be able to receive only. In this particular means of communication receiver doesn't present his or her reaction to your sender.
4. Success of communication depends on a proper understanding of the parties involved: Powerful communication comes about if your receiver feels your concept you might say your sender posts the idea. If the receiver doesn't deliver his or her reaction to your sender, your sender is not going to fully grasp your receiver's view. In this case, your communications are going to be inadequate. As a result, to make your communication prosperous the two senders and receiver got to know your side effects of different.
5. Conversation in organization flows in a variety of styles: With organization, information flows in a variety of recommendations, for example way upward direction, down way, horizontal way and many others.

Communication is media or channel based: Every single person communication comes about by means of suing a selected method. This media could be composed, common and non-verbal or maybe a mixture of spoken and non-verbal media.

Importance of Organizational Communication

Effective Communication is significant for managers in the organizations so as to perform the basic functions of management, i.e., Planning, Organizing, Leading and Controlling.

Communication helps managers to perform their jobs and responsibilities. Communication serves as a foundation for planning. All the essential information must be communicated to the managers who in-turn must communicate the plans so as to implement them. Organizing also requires effective communication with others about their job task. Similarly leaders as managers must communicate effectively with their subordinates so as to achieve the team goals. Controlling is not possible without written and oral communication.

Managers devote a great part of their time in communication. They generally devote approximately 6 hours per day in communicating. They spend great time on face to face or telephonic communication with their superiors, subordinates, colleagues, customers or suppliers. Managers also use Written Communication in form of letters, reports or memos wherever oral communication is not feasible.

Thus, we can say that “effective communication is a building block of successful organizations”. In other words, communication acts as organizational blood.

The importance of communication in an organization can be summarized as follows:

1. Communication promotes motivation by informing and clarifying the employees about the task to be done, the manner they are performing the task, and how to improve their performance if it is not up to the mark.
2. Communication is a source of information to the organizational members for decision-making process as it helps identifying and assessing alternative course of actions.
3. Communication also plays a crucial role in altering individual’s attitudes, i.e., a well informed individual will have better attitude than a less-informed individual. Organizational magazines, journals, meetings and various other forms of oral and written communication help in moulding employee’s attitudes.
4. Communication also helps in socializing. In today’s life the only presence of another individual fosters communication. It is also said that one cannot survive without communication.
5. Communication also assists in controlling process. It helps controlling organizational member’s behaviour in various ways. There are various levels of hierarchy and certain principles and guidelines that employees must follow in an organization. They must comply with organizational policies, perform their job role efficiently and communicate any work problem and grievance to their superiors. Thus, communication helps in controlling function of management.

An effective and efficient communication system requires managerial proficiency in delivering and receiving messages. A manager must discover various barriers to communication, analyze the reasons for their occurrence and take preventive steps to avoid those barriers. Thus, the primary responsibility of a manager is to develop and maintain an effective communication system in the organization.

ORGANIZATIONAL STORYTELLING

Organizational storytelling is a concept in management and organization studies. It recognises the special place of narration in human communication, making narration “the foundation of discursive thought and the possibility of acting in common.” This follows the narrative paradigm, a view of human communication based on the conception of persons as *homo narrans*.

Business organisations explicitly value “hard” knowledge that can be classified, categorized, calculated, analyzed, etc., practical know-how (explicit and tacit) and know-who (social connections). In contrast, storytelling employs ancient means of passing wisdom and culture through informal stories and anecdotes. The narrative is said to be more “synthetic” than “analytic”, and help to share norms and values, develop trust and commitment, share tacit knowledge, facilitate unlearning, and generate emotional connections. Storytelling is an ingredient to make an idea “stick”.

While storytelling is a key ingredient in great advertising, organizational storytelling caters to a very different audience. It deals with human beings in organizations connecting, engaging and inspiring other stakeholders using stories and story structures in their communication.

Giroux and Marroquin distinguish five perspectives in writings on organizational storytelling:

The functionalist perspective sees storytelling as a management tool. It considers a top-down communication (for example, the communication of a boss to his employees), and aims at the efficiency of the transmission. As such, the narration must be brief and consistent with objectives. However, strategic ambiguity is sometimes not a bug, but a feature.

The interpretative perspective considers the organization as a subjective universe that the researcher can only grasp through the representations that the actors summon in their narrations. The narratives then bear both the central values and culture of the organization and the differences, conflicts and contradictions. Thus, officially promoted values are confronted with those that emerge from the narratives. There have been attempts to develop institutional interpretative devices by combining insights from anthropology, literary theory and institutionalism, for example. Antenarrative tries to link retrospective narrative to a living story.

The process perspective, following the work of Karl E. Weick, considers the organization not as a fixed entity but as an organising process that emphasises the interactions and co-construction. The researchers then study the narratives in situations of organizational change, controversy or deliberation. This perspective postulates that actors demonstrate a narrative intelligence, which refers to their “ability to produce and understand stories”.

The critical perspective emphasizes the asymmetrical relationships within organizations. The narration can be used to “create a culture of submission”. The critical feminist prospective focuses on gender differences, revealing how they are created, nurtured, conveyed and challenged by narratives.

The postmodern perspective, which is the most recent and controversial, sees society and organization as fragmented. It places textuality at the center of the researcher’s approach, and promotes the polyphony of speech. The researcher becomes a narrator by giving a voice to marginalized employees.

TYPES OF ORGANIZATIONAL COMMUNICATION

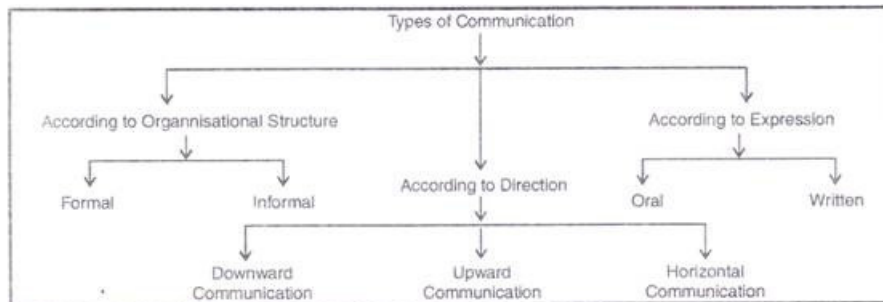
The different forms of communication used in an organization are:

Communication according to Organisational Structure

Formal Communication

Such a communication is that which is associated with the formal organisation structure and the official status or the position of the communicator and the receiver. It travels through the formal channels officially recognised positions in the organisation chart. Formal communication is mostly in black and white.

Thus, it is a deliberate attempt to regulate the flow of communication so as to ensure that information flows smoothly, accurately and timely. Formal communication is a deliberate attempt to regulate the flow of communication so as to ensure that information flows smoothly, accurately and timely.



We frequently come across the phrase ‘through proper channel’. It emphasises the essence of formal channel of communication. For example, when the General Manager issues instructions (because of his senior position in the organisation), it is formal communication.

The forms of formal communication are as under:

- i. Departmental meetings,
- ii. Conference,
- iii. Telephone calls,
- iv. Company news bulletins,
- v. Special interviews and special purpose publications and messages.

The main advantage of the formal communication is that the official channels enable the routine and standardised information to pass without claiming much of managerial attention. Essentially, executives and managers may devote most of their precious time on matters of utmost significance.

But at the same time, the weakness of formal communication should not go unaccounted. Communication through channel of command greatly obstructs free and uninterrupted flow of information.

Informal Communication

Informal communication is also known as ‘Grapevine’. It is free from all sorts of formalities because it is used on informal relationships between the parties, such as friendship, membership in the same club or association.

Persons at the executive levels also use informal communication when they find it difficult to collect information from the workers. Such communication includes comments, suggestions etc. It may be conveyed by a simple glance, gesture, smile or mere silence.

Managers and executives also favour the growth and development of informal network of communication off and on. This process, In fact, serves a very useful purpose in disseminating certain

information which, in the general interest of the organisation, cannot be transmitted through the official channels.

Apart from that, it also offers the high and higher ups a clearer insight into what the subordinates think and feel. But at the same time, the weaknesses of the informal communication are also worth noting. It may be mentioned that this process very often tends to pass distorted, misinterpreted, and inaccurate and half-truth information and facts, depending on the circumstances and the message. But still, executives and managers cannot do away with informal communication.

Communication according to Direction

Downward Communication

Communication which flows from the superiors to subordinates is referred to as downward communication. In an organisational structure, the executives must exercise their powers to achieve the desired objectives which imply that they may be engaged in issuing orders, instructions and policy directives to the persons at the lower levels. This may be called downward communication. Under downward communication, immediate performance of a job is expected.

Katz and Kahn have identified five elements of downward communication:

1. Specific task directives; Job instructions.
2. Information designed to produce understanding of the task and its relation to other organisational tasks; job rationale.
3. Information about organisational procedures and practices.
4. Feedback to the subordinate about his performance.
5. Information of an ideological character to inculcate a sense of mission, indoctrination of goals.

Communication from superior to subordinate can be face to face as well as through written memos, orders, job descriptions etc.

Upward Communication

In an upward communication, the persons from the lower level are expected to have communication with those who are above them. It is just the reverse of downward communication. This sort of communication includes reactions and suggestions from workers, their grievances etc. Contents of upward communication are reports, reaction, suggestion statements and proposals prepared for the submission to the boss.

Upward Communication can be divided into four categories on the basis of what employee says:

1. About himself, his performance and problems.
2. About others and their problems.

3. About organisational policies and practices.
4. About what needs to be done and how it can be done.

The main features of upward communication are:

1. It is condensed and summarised as it passes through various levels in the hierarchy. It gives feedback on the extent of effectiveness of downward communication. This feedback is used for improving communication effectiveness.
2. It provides the management about the viewpoints, reactions, attitudes, feelings and morale of employees.
3. It provides means of control.
4. Finally, it gives information and date for decision making.

Upward communication may get distorted owing to the nature of superior- subordinate relationships. An employee is not likely to give any information which may affect him adversely. Moreover, he may transmit wrong information to impress his superiors. It flows through many media e.g. chain of command, suggestion boxes, personal contacts, attitude and morale surveys, grievance procedure, private lines, labour unions etc.

Horizontal Communication

When the communication takes place between two or more persons who are subordinates of the same person or those who are working on the same level of organisation, the communication is known as horizontal (lateral) communication.

The communication between functional managers or among subordinates working under one boss, the communication between managers of various factories is the examples of such communication. Horizontal communication may be oral as well as written.

Horizontal Communication satisfies peoples' needs to know from their own peers without taking into account other levels in the organisation. It is really difficult for an organisation to function efficiently without such horizontal communication flows. Although the formal organisation design does not provide for such communication flows, it is needed for the coordination and integration of diverse organizational functions.

Since organizational horizontal communication ordinarily do not exist in facilitation is left to individual managers. Peer to peer communication necessary for co-ordination and can also provide social need satisfaction.

According to Way of Expression

Oral or Verbal Communication

Oral communication is a direct communication between two individuals. In oral communication both the parties i.e., sender and receiver exchange their ideas through oral words either in face to face conversation or through any mechanical or electrical device such as telephone, teleconference

etc. When it is face to face, the person communicating can ask questions or explanations or sometimes when the communication is not properly understood, he can clarify meaning.

Oral communication is generally possible where there can be either a direct contact or message to be conveyed is not of permanent nature. Meetings and conferences, lectures and interviews are other media of such communication.

Oral communication enjoys certain advantages communication which may be enumerated as follows:

- i. Oral communication has the distinct advantage of being quick and prompt. It provides the opportunity to both the transmitter and receiver of the message to respond directly.
- ii. Oral communication facilitates close contact and thus fosters mutual exchange of ideas, facts, understanding and cooperation.
- iii. Oral communication through direct contact undoubtedly inculcates in the subordinates a sense of self-importance which in turn acts as a motivating factor.
- iv. Oral communication further enables the superior to make a quick appraisal of subordinate's action and reaction to any message transmitted. This obviously helps the superior to minimise and avert conflicts, redesign plans and programmes according to the need of time and circumstances.
- v. The personality of the communicator is brought to bear in the communication process. This has good effect on the subordinates and they understand the communication properly.
- vi. It can bring a friendly and co-operative team spirit.

However, the following are the disadvantages of the oral communication:

- i. There is a possibility that the spoken words may not be clearly heard or understood.
- ii. It is not good for lengthy communications.
- iii. It requires the art of expressing accurately and appropriately, and listen to others emphatically.
- iv. It is inadequate where specific performance of policies and rules is needed.
- v. The inexperienced subordinates do not follow the facial expressions and the tone of manager's voice.

Written Communication

When the communication is reduced to black and white (writing), it is called written communication. This includes written words, graphs, diagrams, pictures, etc. Written communications are extensively used in organisations.

Sometimes, this form of communication becomes indispensable as in the case of rules, orders, schedules or policy matters etc. The circulars, magazines, notes and manuals are some common forms of written communication.

It may be asserted from general observations that in all types of organisations both oral and written communication is in practice. Which form should be used and applied? Much depends on the message, its importance to receiver, and implication to functional aspects of the organisation.

The following list presents some commonly used forms of communication in different directions.

Oral	Written
Personal instructions.	Rules and instructions handbook.
Lectures, conferences, meetings.	Letters, circulars and memos.
Grapevine rumours.	Posters.
Interviews.	Bulletin and notice Boards.
Face to face conversation.	Handbooks and Manuals.
Telephone etc.	Annual Reports.
Union channels.	House Magazines.
	Union Publications.
	Personal letters and suggestions.
	Complaint Procedure.

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Human Resource Management

5

CHAPTER

The strategic approach to the effective management of people in an organization in order to gain a competitive advantage and maximize employee performance is referred to as human resource management. The topics elaborated in this chapter will help in gaining a better perspective about the different aspects of human resource management.

HUMAN RESOURCES

Human resources or HR is the company department charged with finding, screening, recruiting, and training job applicants, and administering employee-benefit programs. As companies reorganize to gain a competitive edge, HR plays a key role in helping companies deal with a fast-changing environment and the greater demand for quality employees.

Working of HR

An HR department is an essential, if not critical, component of any business regardless of the organization's size. It focuses on maximizing employee productivity and protecting the company from any issues that may arise from the workforce. HR responsibilities include compensation and benefits, recruitment, firing, and keeping up to date with any laws that may affect the company and its employees.

Research conducted by The Conference Board has found six key people-related activities that HR must effectively do to add value to a company. These include:

- Managing and using people effectively.
- Tying performance appraisal and compensation to competencies.
- Developing competencies that enhance individual and organizational performance.
- Increasing the innovation, creativity, and flexibility necessary to enhance competitiveness.
- Applying new approaches to work process design, succession planning, career development, and inter-organizational mobility.
- Managing the implementation and integration of technology through improved staffing, training, and communication with employees.

HUMAN RESOURCE MANAGEMENT

Human Resource Management (HRM) is the term used to describe formal systems devised for the management of people within an organization. The responsibilities of a human resource manager fall into three major areas: staffing, employee compensation and benefits, and defining/designing work. Essentially, the purpose of HRM is to maximize the productivity of an organization by optimizing the effectiveness of its employees. This mandate is unlikely to change in any fundamental way, despite the ever-increasing pace of change in the business world. As Edward L. Gubman observed in the *Journal of Business Strategy*, “the basic mission of human resources will always be to acquire, develop, and retain talent; align the workforce with the business; and be an excellent contributor to the business. Those three challenges will never change.”

Until fairly recently, an organization’s human resources department was often consigned to lower rungs of the corporate hierarchy, despite the fact that its mandate is to replenish and nourish what is often cited; legitimately; as an organization’s greatest resource, its work force. But in recent years recognition of the importance of human resources management to a company’s overall health has grown dramatically. This recognition of the importance of HRM extends to small businesses, for while they do not generally have the same volume of human resources requirements as do larger organizations, they too face personnel management issues that can have a decisive impact on business health. As Irving Burstiner commented in *The Small Business Handbook*, “Hiring the right people;-and training them well; can often mean the difference between scratching out the barest of livelihoods and steady business growth’. Personnel problems do not discriminate between small and big business. You find them in all businesses, regardless of size.”

Principles of Human Resource Management

Business consultants note that modern human resource management is guided by several overriding principles. Perhaps the paramount principle is a simple recognition that human resources are the most important assets of an organization; a business cannot be successful without effectively managing this resource. Another important principle, articulated by Michael Armstrong , is that business success “is most likely to be achieved if the personnel policies and procedures of the enterprise are closely linked with, and make a major contribution to, the achievement of corporate objectives and strategic plans.” A third guiding principle, similar in scope, holds that it is the HR’s responsibility to find, secure, guide, and develop employees whose talents and desires are compatible with the operating needs and future goals of the company. Other HRM factors that shape corporate culture; whether by encouraging integration and cooperation across the company, instituting quantitative performance measurements, or taking some other action; are also commonly cited as key components in business success. HRM, summarized Armstrong, “is a strategic approach to the acquisition, motivation, development and management of the organization’s human resources. It is devoted to shaping an appropriate corporate culture, and introducing programs which reflect and support the core values of the enterprise and ensure its success.”

Position and Structure of Human Resource Management

Human resource department responsibilities can be subdivided into three areas: individual, organizational, and career. Individual management entails helping employees identify their strengths

and weaknesses; correct their shortcomings; and make their best contribution to the enterprise. These duties are carried out through a variety of activities such as performance reviews, training, and testing. Organizational development, meanwhile, focuses on fostering a successful system that maximizes human (and other) resources as part of larger business strategies. This important duty also includes the creation and maintenance of a change program, which allows the organization to respond to evolving outside and internal influences. Finally, there is the responsibility of managing career development. This entails matching individuals with the most suitable jobs and career paths within the organization.

Human resource management functions are ideally positioned near the theoretic center of the organization, with access to all areas of the business. Since the HRM department or manager is charged with managing the productivity and development of workers at all levels, human resource personnel should have access to—and the support of; key decision makers. In addition, the HRM department should be situated in such a way that it is able to communicate effectively with all areas of the company.

HRM structures vary widely from business to business, shaped by the type, size, and governing philosophies of the organization that they serve. But most organizations organize HRM functions around the clusters of people to be helped; they conduct recruiting, administrative, and other duties in a central location. Different employee development groups for each department are necessary to train and develop employees in specialized areas, such as sales, engineering, marketing, or executive education. In contrast, some HRM departments are completely independent and are organized purely by function. The same training department, for example, serves all divisions of the organization.

In recent years, however, observers have cited a decided trend toward fundamental reassessments of human resources structures and positions. “A cascade of changing business conditions, changing organizational structures, and changing leadership has been forcing human resource departments to alter their perspectives on their role and function almost overnight,” wrote John Johnston in *Business Quarterly*. “Previously, companies structured themselves on a centralized and compartmentalized basis; head office, marketing, manufacturing, shipping, etc. They now seek to decentralize and to integrate their operations, developing cross-functional teams’. Today, senior management expects HR to move beyond its traditional, compartmentalized ‘bunker’ approach to a more integrated, decentralized support function.” Given this change in expectations, Johnston noted that “an increasingly common trend in human resources is to decentralize the HR function and make it accountable to specific line management. This increases the likelihood that HR is viewed and included as an integral part of the business process, similar to its marketing, finance, and operations counterparts. However, HR will retain a centralized functional relationship in areas where specialized expertise is truly required,” such as compensation and recruitment responsibilities.

Human Resource Management Key Responsibilities

Human resource management is concerned with the development of both individuals and the organization in which they operate. HRM, then, is engaged not only in securing and developing the talents of individual workers, but also in implementing programs that enhance communication and cooperation between those individual workers in order to nurture organizational development.

The primary responsibilities associated with human resource management include: job analysis and staffing, organization and utilization of work force, measurement and appraisal of work force performance, implementation of reward systems for employees, professional development of workers, and maintenance of work force.

Job analysis consists of determining; often with the help of other company areas; the nature and responsibilities of various employment positions. This can encompass determination of the skills and experiences necessary to adequately perform in a position, identification of job and industry trends, and anticipation of future employment levels and skill requirements. “Job analysis is the cornerstone of HRM practice because it provides valid information about jobs that is used to hire and promote people, establish wages, determine training needs, and make other important HRM decisions,” stated Thomas S. Bateman and Carl P. Zeithaml in *Management: Function and Strategy*. Staffing, meanwhile, is the actual process of managing the flow of personnel into, within (through transfers and promotions), and out of an organization. Once the recruiting part of the staffing process has been completed, selection is accomplished through job postings, interviews, reference checks, testing, and other tools.

Organization, utilization, and maintenance of a company’s work force is another key function of HRM. This involves designing an organizational framework that makes maximum use of an enterprise’s human resources and establishing systems of communication that help the organization operate in a unified manner. Other responsibilities in this area include safety and health and worker-management relations. Human resource maintenance activities related to safety and health usually entail compliance with federal laws that protect employees from hazards in the workplace. These regulations are handed down from several federal agencies, including the Occupational Safety and Health Administration (OSHA) and the Environmental Protection Agency (EPA), and various state agencies, which implement laws in the realms of worker’s compensation, employee protection, and other areas. Maintenance tasks related to worker-management relations primarily entail: working with labor unions; handling grievances related to misconduct, such as theft or sexual harassment; and devising communication systems to foster cooperation and a shared sense of mission among employees.

Performance appraisal is the practice of assessing employee job performance and providing feedback to those employees about both positive and negative aspects of their performance. Performance measurements are very important both for the organization and the individual, for they are the primary data used in determining salary increases, promotions, and, in the case of workers who perform unsatisfactorily, dismissal.

Reward systems are typically managed by HR areas as well. This aspect of human resource management is very important, for it is the mechanism by which organizations provide their workers with rewards for past achievements and incentives for high performance in the future. It is also the mechanism by which organizations address problems within their work force, through institution of disciplinary measures. Aligning the work force with company goals, stated Gubman, “requires offering workers an employment relationship that motivates them to take ownership of the business plan.”

Employee development and training is another vital responsibility of HR personnel. HR is responsible for researching an organization’s training needs, and for initiating and evaluating employee

development programs designed to address those needs. These training programs can range from orientation programs, which are designed to acclimate new hires to the company, to ambitious education programs intended to familiarize workers with a new software system.

“After getting the right talent into the organization,” wrote Gubman, “the second traditional challenge to human resources is to align the workforce with the business; to constantly build the capacity of the workforce to execute the business plan.” This is done through performance appraisals, training, and other activities. In the realm of performance appraisal, HRM professionals must devise uniform appraisal standards, develop review techniques, train managers to administer the appraisals, and then evaluate and follow up on the effectiveness of performance reviews. They must also tie the appraisal process into compensation and incentive strategies, and work to ensure that federal regulations are observed.

Responsibilities associated with training and development activities, meanwhile, include the determination, design, execution, and analysis of educational programs. The HRM professional should be aware of the fundamentals of learning and motivation, and must carefully design and monitor training and development programs that benefit the overall organization as well as the individual. The importance of this aspect of a business’s operation can hardly be overstated. As Roberts, Seldon, and Roberts indicated in *Human Resources Management*, “the quality of employees and their development through training and education are major factors in determining long-term profitability of a small business’. Research has shown specific benefits that a small business receives from training and developing its workers, including: increased productivity; reduced employee turnover; increased efficiency resulting in financial gains; and decreased need for supervision.”

Meaningful contributions to business processes are increasingly recognized as within the purview of active human resource management practices. Of course, human resource managers have always contributed to overall business processes in certain respects; by disseminating guidelines for and monitoring employee behavior, for instance, or ensuring that the organization is obeying worker-related regulatory guidelines. Now, increasing numbers of businesses are incorporating human resource managers into other business processes as well. In the past, human resource managers were cast in a support role in which their thoughts on cost/benefit justifications and other operational aspects of the business were rarely solicited. But as Johnston noted, the changing character of business structures and the marketplace are making it increasingly necessary for business owners and executives to pay greater attention to the human resource aspects of operation. “Tasks that were once neatly slotted into well-defined and narrow job descriptions have given way to broad job descriptions or role definitions. In some cases, completely new work relationships have developed; telecommuting, permanent part-time roles and outsourcing major non-strategic functions are becoming more frequent.” All of these changes, which human resource managers are heavily involved in, are important factors in shaping business performance.

The Changing Field of Human Resource Management

In recent years, several business trends have had a significant impact on the broad field of HRM. Chief among them was new technologies. These new technologies, particularly in the areas of electronic communication and information dissemination and retrieval, have dramatically altered the business landscape. Satellite communications, computers and networking systems, fax machines, and other devices have all facilitated change in the ways in which businesses interact with each

other and their workers. Telecommuting, for instance, has become a very popular option for many workers, and HRM professionals have had to develop new guidelines for this emerging subset of employees.

Changes in organizational structure have also influenced the changing face of human resource management. Continued erosion in manufacturing industries in the United States and other nations, coupled with the rise in service industries in those countries, have changed the workplace, as has the decline in union representation in many industries (these two trends, in fact, are commonly viewed as interrelated). In addition, organizational philosophies have undergone change. Many companies have scrapped or adjusted their traditional, hierarchical organizational structures in favor of flatter management structures. HRM experts note that this shift in responsibility brought with it a need to reassess job descriptions, appraisal systems, and other elements of personnel management.

A third change factor has been accelerating market globalization. This phenomenon has served to increase competition for both customers and jobs. The latter development enabled some businesses to demand higher performances from their employees while holding the line on compensation. Other factors that have changed the nature of HRM in recent years include new management and operational theories like Total Quality Management (TQM), rapidly changing demographics, and changes in health insurance and federal and state employment legislation.

Small Business and Human Resource Management

A small business's human resource management needs are not of the same size or complexity of those of a large firm. Nonetheless, even a business that carries only two or three employees faces important personnel management issues. Indeed, the stakes are very high in the world of small business when it comes to employee recruitment and management. No business wants an employee who is lazy or incompetent or dishonest. But a small business with a work force of half a dozen people will be hurt far more by such an employee than will a company with a work force that numbers in the hundreds (or thousands). Nonetheless, "most small business employers have no formal training in how to make hiring decisions," noted Jill A. Rossiter in *Human Resources: Mastering Your Small Business*. "Most have no real sense of the time it takes nor the costs involved. All they know is that they need help in the form of a 'good' sales manager, a 'good' secretary, a 'good' welder, and so on. And they know they need someone they can work with, who is willing to put in the time to learn the business and do the job. It sounds simple, but it isn't."

Before hiring a new employee, the small business owner should weigh several considerations. The first step the small business owner should take when pondering an expansion of employee payroll is to honestly assess the status of the organization itself. Are current employees being utilized appropriately? Are current production methods effective? Can the needs of the business be met through an arrangement with an outside contractor or some other means? Are you, as the owner, spending your time appropriately? As Rossiter noted, "any personnel change should be considered an opportunity for rethinking your organizational structure."

Small businesses also need to match the talents of prospective employees with the company's needs. Efforts to manage this can be accomplished in a much more effective fashion if the small business owner devotes energy to defining the job and actively taking part in the recruitment process.

But the human resource management task does not end with the creation of a detailed job description and the selection of a suitable employee. Indeed, the hiring process marks the beginning of HRM for the small business owner.

Small business consultants strongly urge even the most modest of business enterprises to implement and document policies regarding human resource issues. “Few small enterprises can afford even a fledgling personnel department during the first few years of business operation,” acknowledged Burstiner. “Nevertheless, a large mass of personnel forms and data generally accumulates rather rapidly from the very beginning. To hold problems to a minimum, specific personnel policies should be established as early as possible. These become useful guides in all areas: recruitment and selection, compensation plan and employee benefits, training, promotions and terminations, and the like.” Depending on the nature of the business enterprise (and the owner’s own comfort zone), the owner can even involve his employees in this endeavor. In any case, a carefully considered employee handbook or personnel manual can be an invaluable tool in ensuring that the small business owner and his or her employees are on the same page. Moreover, a written record can lend a small business some protection in the event that its management or operating procedures are questioned in the legal arena.

Some small business owners also need to consider training and other development needs in managing their enterprise’s employees. The need for such educational supplements can range dramatically. A bakery owner, for instance, may not need to devote much of his resources to employee training, but a firm that provides electrical wiring services to commercial clients may need to implement a system of continuing education for its workers in order to remain viable.

Finally, the small business owner needs to establish and maintain a productive working atmosphere for his or her work force. Employees are far more likely to be productive assets to your company if they feel that they are treated fairly. The small business owner who clearly communicates personal expectations and company goals, provides adequate compensation, offers meaningful opportunities for career advancement, anticipates work force training and developmental needs, and provides meaningful feedback to his or her employees is far more likely to be successful than the owner who is neglectful in any of these areas.

Human Resource Management System

A human resources management system (HRMS) or human resources information system (HRIS) is a form of human resources (HR) software that combines a number of systems and processes to ensure the easy management of human resources, business processes and data. Human resources software is used by businesses to combine a number of necessary HR functions, such as storing employee data, managing payrolls, recruitment processes, benefits administration, and keeping track of attendance records.

A human resources management system ensures everyday human resources processes are manageable and easy to access. It merges human resources as a discipline and, in particular, its basic HR activities and processes with the information technology field, whereas the programming of data processing systems evolved into standardized routines and packages of enterprise resource planning (ERP) software. On the whole, these ERP systems have their origin from software that integrates information from different applications into one universal database. The linkage of its financial and human resource

modules through one database is the most important distinction to the individually and proprietarily developed predecessors, which makes this software application both rigid and flexible.

Human resource information systems provide a means of acquiring, storing, analyzing and distributing information to various stakeholders. HRIS enable improvement in traditional processes and enhance strategic decision-making. The wave of technological advancement has revolutionized each and every space of life today, and this includes HR. Early systems were narrow in scope, typically focused on a single task, such as improving the payroll process or tracking employees' work hours. Today's systems cover the full spectrum of tasks associated with human resources departments, including tracking and improving process efficiency, managing organizational hierarchy, tracking absence and annual leave, simplifying financial transactions, and providing reports on people data. In short, as the role of human resources departments expanded in complexity, HR technology systems evolved to fit these needs.

Functions

The function of human resources departments is administrative and common to all organizations. Organizations may have formalized selection, evaluation, and payroll processes. Management of "human capital" has progressed to an imperative and complex process. The HR function consists of tracking existing employee data, which traditionally includes personal histories, skills, capabilities, accomplishments, and salary. To reduce the manual workload of these administrative activities, organizations began to electronically automate many of these processes by introducing specialized human resource management systems.

HR executives rely on internal or external IT professionals to develop and maintain an integrated HRMS. Before client-server architectures evolved in the late 1980s, many HR automation processes were relegated to mainframe computers that could handle large amounts of data transactions. In consequence of the high capital investment necessary to buy or program proprietary software, these internally developed HRMS were limited to organizations that possessed a large amount of capital. The advent of client-server, application service provider, and software as a service (SaaS) or human resource management systems enabled higher administrative control of such systems. Currently, human resource management systems tend to encompass:

- Retaining staff.
- Hiring.
- Onboarding.
- Administration.
- Managing payroll.
- HR planning.
- Recruiting/Learning management.
- Performance management and appraisals.
- Employee self-service.
- Scheduling and rota management.

- Absence management.
- Leave management.
- Reporting and analytics.
- Employee reassignment.
- Grievance handling by following precedents.

The payroll module automates the pay process by gathering data on employee time and attendance, calculating various deductions and taxes, and generating periodic pay cheques and employee tax reports. Data is generally fed from the human resources and timekeeping modules to calculate automatic deposit and manual cheque writing capabilities. This module can encompass all employee-related transactions as well as integrate with existing financial management systems.

The time and attendance module gathers standardized time and work related efforts. The most advanced modules provide broad flexibility in data collection methods, labor distribution capabilities and data analysis features. Cost analysis and efficiency metrics are the primary functions.

The benefits administration module provides a system for organizations to administer and track employee participation in benefits programs. These typically encompass insurance, compensation, profit sharing, and retirement.

The HR management module is a component covering many other HR aspects from application to retirement. The system records basic demographic and address data, selection, training and development, capabilities and skills management, compensation planning records and other related activities. Leading edge systems provide the ability to “read” applications and enter relevant data to applicable database fields, notify employers and provide position management and position control. Human resource management function involves the recruitment, placement, evaluation, compensation, and development of the employees of an organization. Initially, businesses used computer-based information systems to:

- Produce paychecks and payroll reports;
- Maintain personnel records;
- Pursue talent management.

Online recruiting has become one of the primary methods employed by HR departments to garner potential candidates for available positions within an organization. Talent management systems, or recruitment modules, offer an integrated hiring solution for HRMS which typically encompass:

- Analyzing personnel usage within an organization;
- Identifying potential applicants;
- Recruiting through company-facing listings;
- Recruiting through online recruiting sites or publications that market to both recruiters and applicants;
- Analytics within the hiring process (time to hire, source of hire, turnover);

- Compliance management to ensure job ads and candidate onboarding follows government regulations.

The significant cost incurred in maintaining an organized recruitment effort, cross-posting within and across general or industry-specific job boards and maintaining a competitive exposure of availabilities has given rise to the development of a dedicated applicant tracking system (ATS) module.

The training module provides a system for organizations to administer and track employee training and development efforts. The system, normally called a “learning management system” (LMS) if a standalone product, allows HR to track education, qualifications, and skills of the employees, as well as outlining what training courses, books, CDs, web-based learning or materials are available to develop which skills. Courses can then be offered in date specific sessions, with delegates and training resources being mapped and managed within the same system. Sophisticated LMSs allow managers to approve training, budgets, and calendars alongside performance management and appraisal metrics.

The employee self-service module allows employees to query HR related data and perform some HR transactions over the system. Employees may query their attendance record from the system without asking the information from HR personnel. The module also lets supervisors approve O.T. requests from their subordinates through the system without overloading the task on HR department.

Many organizations have gone beyond the traditional functions and developed human resource management information systems, which support recruitment, selection, hiring, job placement, performance appraisals, employee benefit analysis, health, safety, and security, while others integrate an outsourced applicant tracking system that encompasses a subset of the above.

The analytics module enables organizations to extend the value of an HRMS implementation by extracting HR related data for use with other business intelligence platforms. For example, organizations combine HR metrics with other business data to identify trends and anomalies in headcount in order to better predict the impact of employee turnover on future output.

There are now many types of HRMS or HRIS, some of which are typically local-machine-based software packages; the other main type is an online cloud-based system that can be accessed via a web browser.

The staff training module enables organizations the ability to enter, track and manage employee and staff training. Each type of activity can be recorded together with the additional data. The performance of each employee or staff member is then stored and can be accessed via the Analytics module.

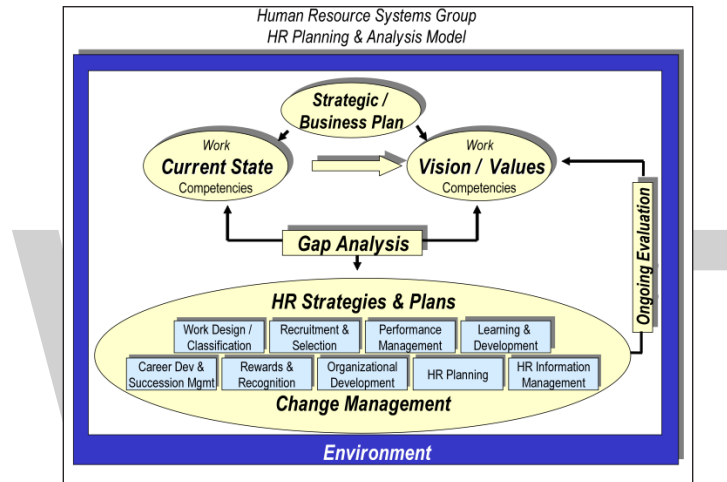
Employee re-assign module is a recent additional functionality of HRMS. This module has the functions of transfer, promotion, pay revision, re-designation, deputation, confirmation, pay mode change and letter form.

STRATEGIC HUMAN RESOURCE PLANNING

Human resource planning is a process that identifies current and future human resources needs for an organization to achieve its goals. Human resource planning should serve as a link between

human resource management and the overall strategic plan of an organization. Ageing workers population in most western countries and growing demands for qualified workers in developing economies have underscored the importance of effective human resource planning.

As defined by Bulla and Scott, human resource planning is ‘the process for ensuring that the human resource requirements of an organization are identified and plans are made for satisfying those requirements’. Reilly defined (workforce planning) as, ‘A process in which an organization attempts to estimate the demand for labour and evaluate the size, nature and sources of supply which will be required to meet the demand.’ Human resource planning includes creating an employer brand, retention strategy, absence management strategy, flexibility strategy, (talent management) strategy, (recruitment) and selection strategy.



The planning processes of most best practice organizations not only define what will be accomplished within a given time-frame, but also the numbers and types of human resources that will be needed to achieve the defined business goals (e.g., number of human resources; the required competencies; when the resources will be needed; etc.).

Competency-based management supports the integration of human resources planning with business planning by allowing organizations to assess the current human resource capacity based on their competencies against the capacity needed to achieve the vision, mission and business goals of the organization. Targeted human resource strategies, plans and programs to address gaps (e.g., hiring / staffing; learning; career development; succession management; etc.) are then designed, developed and implemented to close the gaps.

These strategies and programs are monitored and evaluated on a regular basis to ensure that they are moving the organizations in the desired direction, including closing employee competency gaps, and corrections are made as needed. This Strategic HR Planning and evaluation cycle is depicted in the diagram to the right. Human resource planning is the ongoing process of systematic planning to achieve the best use of an organisation’s most valuable asset – its human resources. The objective of human resource (HR) planning is to ensure the best fit between employees and jobs, while avoiding workforce shortages or spares. The three key elements of the HR planning process are forecasting labour demand, analysing present labour supply, and balancing projected labour demand and supply.

Implementation Stages

1. Assessing the current HR capacity:
 - i) Develop a skills catalog for your employees so that you have a clear understanding of what your staff currently holds. This employee catalog should include everything from volunteer activities to certifications, of all degrees not just topics pertaining to their particular position. These catalogs can be assessed to deem whether or not an employee is ready to add more responsibility, or to forecast the employee's future development plans.
2. Forecasting HR requirements:
 - i) This step includes projecting what the HR needs for the future will be based on the strategic goals of the organization. Keep in mind you will need to also accommodate for external challenges that can affect your organization.
 - ii) Some questions to ask during this stage include:
 - o Which jobs will need to be filled in the upcoming period?
 - o What skill sets will people need?
 - o How many staff will be required to meet the strategic goals of our organization?
 - o Is the economy affecting our work and ability to appeal to new employees?
 - o How is our community evolving or expected to change in the upcoming period?
3. Gap Analysis:
 - i) During this step you will observe where your organization is currently, and where you want to be in the future. You will identify things such as, the employee count, and the skills evaluation and compare it to what will be needed to achieve your future goal. During this phase you should also review your current HR practices and identify what you are doing that is useful and what you can add, that will help you achieve your goal.
 - ii) Questions to answer in this stage include:
 - o What new jobs will we need?
 - o What new skills will we need?
 - o Do our present employees have the necessary skills?
 - o Are employees currently aligned to their strengths?
 - o Are current HR practices adequate to meet our future goal?
4. Developing HR strategies to support the strategies of the organization.
 - i) There are 5 HR strategies that you can follow to meet your organizational goals.
 - o Restructuring strategies:
 - This includes reducing staff, regrouping tasks to create well-designed jobs, and reorganizing work groups to perform more efficiently.

- Training and development strategies:
 - This includes providing the current staff with training and development opportunities to encompass new roles in the organization.
- Recruitment strategies:
 - This includes recruiting new hires that already have the skills the organization will need in the future.
- Outsourcing strategies:
 - This includes outreaching to external individuals or organizations to complete certain tasks.
- Collaboration strategies:
 - This includes collaborating with other organizations to learn from how others do things, allow employees to gain skills and knowledge not previously available in their own organization.

Tools and Technologies

Human resources use various tools and technologies to achieve its goals, especially when it comes to strategic planning. These technologies include but are not limited to social media, policies and management information systems.

Technologies

Social media

Social media is used as a tool in human resources and business in general. This discipline deals with selecting appropriate social media sites and formats from the myriad options available and leveraging the same to create value for the organization. This requires an in-depth understanding of the key benefits and pitfalls of social media and managing these effectively in the organization's context. This discipline emphasizes harnessing social media for effective human resource management, which includes recruitment, collaboration and engagement. It also explores the non-financial impact as well as the approaches for measuring the return on investment in social media. Common social media outlets used in the HR field are LinkedIn, Facebook and Google Plus.

Management Information Systems (MIS)

MIS are computerized information-processing systems designed to support the activities of company or organizational management. They go by various names all with varying functions, in the HR field these tools are commonly referred to as human resource management systems (HRIS). Some of these software include Zenefits, Beeye, Halogen Talent Space, BambooHR, ClearCompany HRM, Better HR and many more. These programs assist professionals in records management, benefit administration and inquiries, hiring and team placement, coaching and training, attendance and payroll management.

Tools

Policy

Policies are set in place to assist in SHRP. These policies are targeted not only for selecting and training employees but also how they should conduct themselves in and outside the workplace and various other aspects of being employed at a workplace. For example, within several companies, there exists a social media policy which outlines how an employee should conduct themselves on personal accounts as a representative of their workplace.

Common policies in HR:

- Equal Employment Opportunity policies.
- Employee classifications.
- Workdays, paydays, and pay advances.
- Overtime compensation.
- Meal periods and break periods.
- Payroll deductions.
- Vacation policies.
- Holidays.
- Sick days and personal leave (for bereavement, jury duty, voting, etc.).
- Performance evaluations and salary increases.
- Performance improvement.
- Termination policies.

Behavioral Science

Behavioral science is the scientific study of human behavior. This applied science is used as a tool in SHRP to help understand and manage human resources. This tool is particularly useful in organizational development and understanding/establishing organizational culture.

Theories

Strategic Human Resource Management

Strategic human resource management is “critical importance of human resources to strategy, organizational capability to adapt to change and the goals of the organization”. In other words, this is a strategy that intends to adapt the goals of an organization and is built off of other theories such as the contingency theory as well as institutional theory which fit under the umbrella of organizational theory. These theories look at the universalize, contingency and configuration perspectives to see the effect of human resource practices in organizations. The universalize perspective says that there are better human resource practices than others and those should be adopted within organization while contingency says that human resource practices need to align with other

organization practices or the organizations mission, and configuration perspective is based on how to combine multiple aspects of human resource practices with effectiveness or performance. This can also be viewed as how human resource practices fit vertically or horizontally in an organization. This theory also involves looking at the value of human capital as well as social capital both in and outside of organizations and how this affects human resource practices. Human capital being knowledge and skills of individuals working for the organization and social capital is based on the character and value of relationships in and out of the organization. “Colbert suggests that SHRM should focus on the interactions and processes of the organization’s social system—the intentions, choices and actions of people in the system and on HR systems as a coherent whole.”

Resource Dependency Theory

Resource dependence theory which is the theory that organizations are not self-sustaining there they must depend on outside resources to stay functioning. “Resources and dependence could help to explain how HR practices evolve from the interaction between nonprofits and their environment, how they deploy employee skills, behaviors and how HR systems are managed.”

International Implications

The current definition of strategic human resource planning is defined as a process that identifies current and future human resources needs for an organization to achieve its goals. It further explains that aging worker populations in most western countries and growing demands for qualified workers in developing economies have underscored the importance of effective Human Resources Planning. When it comes to identifying best practices, forecasting labor demand, analyzing present labor supply, and balancing projected labor demand and supply as the three key elements of strategic human resource planning.

In the past three decades or so, globalization/regionalization, migration and reverse migration (also referred to as “brain circulation”), the ascendancy of emerging markets, the demand for people with a global mindset, and the worldwide war for talent have brought about fundamental changes to the nature, magnitude, and raison d’etre for human resource management (HRM) in a global context.

More information is needed that provides a global perspective to strategic human resource planning to ensure that business can attract the best foreign employees as well as adaptation strategies to allow foreign companies smooth assimilation should they decide to invest here. Festing offers a superb comparison of such perspectives that adds to our understanding of the effects of globalization and localization on comparative strategic human resource management by providing an encompassing overview of the existing research paradigms.

JOB ANALYSIS

Job analysis (also known as work analysis) is a family of procedures to identify the content of a job in terms of activities involved and attributes or job requirements needed to perform the activities. *Job analysis* provides information of organizations which helps to determine which employees are best fit for specific jobs. Through job analysis, the analyst needs to understand what the important

tasks of the job are, how they are carried out, and the necessary human qualities needed to complete the job successfully.

The process of job analysis involves the analyst describing the duties of the incumbent, then the nature and conditions of work, and finally some basic qualifications. After this, the job analyst has completed a form called a *job psychograph*, which displays the mental requirements of the job. The measure of a sound job analysis is a valid task list. This list contains the functional or duty areas of a position, the related tasks, and the basic training recommendations. Subject matter experts (incumbents) and supervisors for the position being analyzed need to validate this final list in order to validate the job analysis.

Job analysis is crucial for first, helping individuals develop their careers, and also for helping organizations develop their employees in order to maximize talent. The outcomes of job analysis are key influences in designing learning, developing performance interventions, and improving processes. The application of job analysis techniques makes the implicit assumption that information about a job as it presently exists may be used to develop programs to recruit, select, train, and appraise people for the job as it will exist in the future.

Job analysts are typically industrial-organizational (I-O) psychologists or human resource officers who have been trained by, and are acting under the supervision of an I-O psychologist. One of the first I-O psychologists to introduce job analysis was Morris Viteles. In 1922, he used job analysis in order to select employees for a trolley car company. Viteles' techniques could then be applied to any other area of employment using the same process.

Job analysis was also conceptualized by two of the founders of I-O psychology, Frederick Winslow Taylor and Lillian Moller Gilbreth in the early 20th century. Since then, experts have presented many different systems to accomplish job analysis that have become increasingly detailed over the decades. However, evidence shows that the root purpose of job analysis, understanding the behavioral requirements of work, has not changed in over 85 years.

Purpose

One of the main purposes of conducting job analysis is to prepare job descriptions and job specifications which in turn helps hire the right quality of workforce into an organization. The general purpose of job analysis is to document the requirements of a job and the work performed. Job and task analysis is performed as a basis for later improvements, including: definition of a job domain; description of a job; development of performance appraisals, personnel selection, selection systems, promotion criteria, training needs assessment, legal defense of selection processes, and compensation plans. The human performance improvement industry uses job analysis to make sure training and development activities are focused and effective. In the fields of human resources (HR) and industrial psychology, job analysis is often used to gather information for use in personnel selection, training, classification, and compensation.

Industrial psychologists use job analysis to determine the physical requirements of a job to determine whether an individual who has suffered some diminished capacity is capable of performing the job with, or without, some accommodation. Edwin Flieshman, Ph.D. is credited with determining the underlying factors of human physical fitness. Professionals developing certification exams

use job analysis (often called something slightly different, such as “task analysis” or “work analysis”) to determine the elements of the domain which must be sampled in order to create a content valid exam. When a job analysis is conducted for the purpose of valuing the job (i.e., determining the appropriate compensation for incumbents) this is called “job evaluation.”

Job analysis aims to answer questions such as:

- Why does the job exist?
- What physical and mental activities does the worker undertake?
- When is the job to be performed?
- Where is the job to be performed?
- Under What conditions it is to be performed?

Procedures

As stated before, the purpose of job analysis is to combine the task demands of a job with our knowledge of human attributes and produce a theory of behavior for the job in question. There are two ways to approach building that theory, meaning there are two different approaches to job analysis.

Task-oriented

Task-oriented procedures focus on the actual activities involved in performing work. This procedure takes into consideration work duties, responsibilities, and functions. The job analyst then develops task statements which clearly state the tasks that are performed with great detail. After creating task statements, job analysts rate the tasks on scales indicating importance, difficulty, frequency, and consequences of error. Based on these ratings, a greater sense of understanding of a job can be attained. Task analysis, such as cognitively oriented task analysis (COTA), are techniques used to describe job expertise. For example, the job analysts may tour the job site and observe workers performing their jobs. During the tour the analyst may collect materials that directly or indirectly indicate required skills (duty statements, instructions, safety manuals, quality charts, etc.).

Functional job analysis (FJA) is a classic example of a task-oriented technique. Developed by Fine and Cronshaw in 1944, work elements are scored in terms of relatedness to data (0–6), people (0–8), and things (0–6) with lower scores representing greater complexity. Incumbents, considered subject matter experts (SMEs), are relied upon, usually in a panel, to report elements of their work to the job analyst. Using incumbent reports, the analyst uses Fine’s terminology to compile statements reflecting the work being performed in terms of data, people, and things. The Dictionary of Occupational Titles uses elements of the FJA in defining jobs.

Worker-oriented

Worker-oriented procedures aim to examine the human attributes needed to perform the job successfully. These human attributes have been commonly classified into four categories: *knowledge*, *skills*, *abilities*, and *other characteristics* (KSAO). Knowledge is the information people need in

order to perform the job. *Skills* are the proficiencies needed to perform each task. *Abilities* are the attributes that are relatively stable over time. *Other characteristics* are all other attributes, usually personality factors. The KSAOs required for a job are inferred from the most frequently-occurring, important tasks. In a worker-oriented job analysis, the skills are inferred from tasks and the skills are rated directly in terms of importance of frequency. This often results in data that immediately imply the important KSAOs. However, it can be hard for SMEs to rate skills directly.

The Fleishman Job Analysis System (F-JAS) developed by Edwin A. Fleishman represents a worker-oriented approach. Fleishman factor-analyzed large data sets to discover a common, minimum set of KSAOs across different jobs. His system of 73 specific scales measure three broad areas: Cognitive (Verbal Abilities; Idea Generation & Reasoning Abilities; Quantitative Abilities; Memory; Perceptual Abilities; Spatial Abilities; and Attentiveness), Psychomotor (Fine Manipulative Abilities; Control Movement Abilities; and Reaction Time and Speed Abilities), and Physical (Physical Strength Abilities; Endurance; Flexibility, Balance, and Coordination; Visual Abilities; and Auditory and Speech Abilities).

JobScan is a measurement instrument which defines the personality dynamics within a specific type of job. By collecting PDP ProScan Survey results of actual performers and results of job dynamics analysis surveys completed by knowledgeable people related to a specific job, JobScan provides a suggested ideal job model for that position. Although it does not evaluate the intellect or experience necessary to accomplish a task, it does deal with the personality of the type of work itself.

Example:

For the job of a snow-cat operator at a ski slope, a work or task-oriented job analysis might include this statement: Operates Bombardier Sno-cat, usually at night, to smooth out snow rutted by skiers and snowboard riders and new snow that has fallen. On the other hand, a worker-oriented job analysis might include this statement: Evaluates terrain, snow depth, and snow condition and chooses the correct setting for the depth of the snow cat, as well as the number of passes necessary on a given ski slope.

Job analysis methods have evolved using both task-oriented and worker-oriented approaches. Since the end result of both approaches is a statement of KSAOs, neither can be considered the “correct” way to conduct job analysis. Because worker-oriented job analyses tend to provide more generalized human behavior and behavior patterns and are less tied to the technological parts of a job, they produce data more useful for developing training programs and giving feed back to employees in the form of performance appraisal information. Also, the volatility that exists in the typical workplace of today can make specific task statements less valuable in isolation. For these reasons, employers are significantly more likely to use worker-oriented approaches to job analysis today than they were in the past.

Knowledge, Skills, Abilities and Other Characteristics (KSAOs)

Regardless of which approach to job analysis is taken, the next step in the process is to identify the attributes—the KSAOs that an incumbent needs for either performing the tasks at hand or executing the human behaviors described in the job analysis.

1. Knowledge: “A collection of discrete but related facts and information about a particular domain acquired through formal education or training, or accumulated through specific experiences.”
2. Skill: “A practiced act”.
3. Ability: “The stable capacity to engage in a specific behavior”.
4. Other characteristics: “Personality variables, interests, training, and experiences”.

Finally, once the appropriate KSAOs are identified, tests and other assessment techniques can be chosen to measure those KSAOs. Over the years, experts have presented several different systems and methods to accomplish job analysis. Many forms of systems are no longer in use, but those systems that still exist have become increasingly detailed over the decades with a greater concentration on tasks and less concentration on human attributes. That trend, however, has reversed in recent years for the better. Newer methods and systems have brought I-O psychology back to an examination of the *behavioral* aspects of work.

There are several ways to conduct a job analysis, including: interviews with incumbents and supervisors, work methods of analysis can be laborious and time consuming, and there is always a tendency on the part of management to over analyze some jobs and under analyze some others. These traditional job analysis methods include: one-on-one interviewing; behavioral event interviews; phone interviews; surveys; work assessments; Developing a Curriculum (DACUM); job analysis worksheets; observations and procedural review. Job analysis at the speed of reality. Amherst, Mass.: HRD Press. All of these methods can be used to gather information for job analysis. The DACUM process developed in the late 1960s has been viewed as the fastest method used, but it can still can take two or three days to obtain a validated task list.

1. Observation: This was the first method of job analysis used by I-O psychologists. The process involves simply watching incumbents perform their jobs and taking notes. Sometimes they ask questions while watching, and commonly they even perform job tasks themselves. Near the end of World War II, Morris Viteles studied the job of navigator on a submarine. He attempted to steer the submarine toward Bermuda. After multiple misses by over 100 miles in one direction or another, one officer suggested that Viteles raise the periscope, look for clouds, and steer toward them since clouds tend to form above or near land masses. The vessel reached Bermuda shortly after that suggestion. The more jobs one seriously observes, the better one’s understanding becomes of both the jobs in question and work in general.
2. Interviews: It is essential to supplement observation by talking with incumbents. These interviews are most effective when structured with a specific set of questions based on observations, other analyses of the types of jobs in question, or prior discussions with human resources representatives, trainers, or managers knowledgeable about jobs.
3. Critical incidents and work diaries: The critical incident technique asks subject matter experts to identify critical aspects of behavior or performance in a particular job that led to success or failure. For example, the supervisor of an electric utility repairman might report that in a very time-pressing project, the repairman failed to check a blueprint and as a

result cut a line, causing a massive power loss. In fact, this is what happened in Los Angeles in September 2005 when half the city lost power over a period of 12 hours. The second method, a work diary, asks workers and/or supervisors to keep a log of activities over a prescribed period of time. They may be asked to simply write down what they were doing at 15 minutes after the hour for each hour of the work day. Or, they may list everything they have done up to a break.

4. Questionnaires and surveys: Expert incumbents or supervisors often respond to questionnaires or surveys as a part of job analysis. These questionnaires include task statements in the form of worker behaviors. Subject matter experts are asked to rate each statement from their experience on a number of different dimensions like importance to overall job success, frequency performance and whether the task must be performed on the first day of work or can be learned gradually on the job. Questionnaires also ask incumbents to rate the importance of KSAOs for performing tasks, and may ask the subject matter experts to rate work context. Unlike the results of observations and interviews, the questionnaire responses can be statistically analyzed to provide a more objective record of the components of the job. To a greater and greater extent, these questionnaires and surveys are being administered online to incumbents.
5. Position Analysis Questionnaire: The Position Analysis Questionnaire (PAQ) is a well-known job analysis instrument. Although it is labeled a questionnaire, the PAQ is actually designed to be completed by a trained job analyst who interviews the SMEs (e.g., job incumbents and their supervisors). The PAQ was designed to measure job component validity of attributes presented in aptitude tests. Job component validity is the relationship between test scores and skills required for good job performance. There are 195 behavior-related statements in the PAQ divided into six major sections: information input, mental process, work output, relationships with others, job context, and other job characteristics.
6. Checklists: Checklists are also used as a job analysis method, specifically with areas like the Air Force. In the checklist method, the incumbent checks the tasks he or she performs from a list of task statements that describe the job. The checklist is preceded by some sort of job analysis and is usually followed by the development of work activity compilations or job descriptions. The scope of task statements listed depends upon the judgment of the checklist constructor.

Six Steps

1. Decide how to use the information since this will determine the data to collect and how to collect it. Some data collection techniques such as interviewing the employee and asking what the job entails are good for writing job descriptions and selecting employees for the job. Other techniques like the position analysis questionnaire do not provide qualitative information for job descriptions. Rather, they provide numerical ratings for each job and can be used to compare jobs for compensation purposes.
2. Review appropriate background information like organization charts, process charts, and job descriptions. *Organization charts* show the organization-wide work division, how the

job in question relates to other jobs, and where the job fits in the overall organization. The chart should show the title of each position and, through connecting lines, show reports to whom and with whom the job incumbent communicates. A *process chart* provides a more detailed picture of the work flow. In its simplest, most organic form, a process chart shows the flow of inputs to and outputs from the job being analyzed. Finally, the existing job description (if there is one) usually provides a starting point for building the revised job description.

3. Select representative positions. This is because there may be too many similar jobs to analyze. For example, it is usually unnecessary to analyze jobs of 200 assembly workers when a sample of 10 jobs will be sufficient.
4. Actually analyze the job by collecting data on job activities, necessary employee behaviors and actions, working conditions, and human traits and abilities required to perform the job. For this step, one or more than one methods of job analysis may be needed.
5. Verify the job analysis information with the worker performing the job and with his or her immediate supervisor. This will help confirm that the information is factually correct and complete. This review can also help gain the employee's acceptance of the job analysis data and conclusions by giving that person a chance to review and modify descriptions of the job activities.
6. Develop a job description and job specification. These are two tangible products of the job analysis process. The *job description* is a written statement that describes the activities and responsibilities of the job as well as its important features such as working conditions and safety hazards. The *job specification* summarizes the personal qualities, traits, skills, and background required for completing a certain job. These two may be completely separate or in the same document.

Uses of Information

1. Recruitment and selection: Job analysis provides information about what the job entails and what human characteristics are required in order to perform these activities. This information, in the form of job descriptions and specifications, helps management officials decide what sort of people they need to recruit and hire and select.
2. Compensation: Job analysis information is crucial for estimating the value of each job and its appropriate compensation. Compensation (salary and bonus) usually depends on the job's required skill and education level, safety hazards, degree of responsibility, etc. - all factors which can be assessed through job analysis. Also, many employers group jobs into classes. Job analysis provides the information to determine the relative worth of each job and its appropriate class.
3. Performance appraisal: A performance appraisal compares each employee's actual performance with his or her performance standards. Managers use job analysis to determine the job's specific activities and performance standards.
4. Training: The job description should show the activities and skills, and therefore training, that the job requires.

5. Discovering unassigned duties: Job Analysis can also help reveal unassigned duties. For example, a company's production manager says an employee is responsible for ten duties, such as production scheduling and raw material purchasing. Missing, however, is any reference to managing raw material inventories. On further study, it is revealed that none of the other manufacturing employees are responsible for inventory management, either. From review of other jobs like these, it is clear that someone should be managing raw material inventories. Therefore, an essential unassigned duty has been revealed.
6. EEO compliance: Job analysis plays a large role in EEO compliance. United States Federal Agencies' Uniform Guidelines on Employee Selection stipulate that job analysis is a necessary step in validating all major personnel activities. For example, employers must be able to show that their selection criteria and job performance are actually related. Doing this requires knowing what the job entails, which in turn requires job analysis.

Additional purposes: In addition to the 6 purposes above, Ash and Levine listed determining KSAOs needed for promotion, determining workplace hazards to make jobs safer, job classification, job description, designing the content of jobs, and strategic human resource planning.

Job Analysis at the Speed of Reality (JASR)

The Job Analysis at the Speed of Reality (JASR) method for job analysis is a reliable, proven method to quickly create validated task lists. The end product, which can be used for many purposes, is the basis for many potential training opportunities. This method is a tested process that helps analysts complete a job analysis of a typical job with a group of subject matter experts and managers in two to three hours then deliver a validated task list.

1. Job incumbents should know their jobs better than anyone else. They can provide accurate, timely content information about the job.
2. JASR participants want to spend a minimum amount of time providing job data during a session and business leadership wants to minimize disruption to business operations.
3. Since JASR participants do not spend as much time thinking about training as training professionals do, they do not require much orientation to the process.
4. JASR uses the quickest methods and best possible technology to complete the job analysis.

Systems

For many years, the U.S. Department of Labor published the Dictionary of Occupational Titles (DOT), which was a comprehensive description of over 20,000 jobs. However, the Department replaced the DOT with O*NET online database, which includes all occupations from the DOT plus an additional 3,500. This makes O*NET very useful for job analysis.

The O*NET (an online resource which has replaced the Dictionary of Occupational Titles) lists job requirements for a variety of jobs and is often considered basic, generic, or initial job analysis data. Everyone can use this database at no cost and is continually updated by observing workers

from each occupation. O*NET also has a Career Exploration Tool which is an assessment to help workers and students who are searching for new careers. Data available from O*NET includes physical requirements, educational level, and some mental requirements. Task-based statements describing the work performed are derived from the functional job analysis technique. O*NET also provides links to salary data at the US national, state and city level for each job.

O*NET was designed with several features in mind, including:

- The inclusion of multiple descriptors and content domains to capture the range of ways that work can be described
- The development of cross-job descriptors in order to enable comparisons between various jobs
- The use of a taxonomic approach to occupational classification to enable full coverage within a content domain

Using these principles, a content model was developed that identified six content domains and specific categories within each domain. These six domains and categories within them include:

1. Worker characteristics: Enduring individual attributes that influence the capacities workers can develop - abilities, occupational values and interests, and work styles
2. Worker requirements: General attributes developed through education and experience, thus are more amenable to change than worker characteristics - knowledge skills and education
3. Occupational requirements: Descriptors of the work itself rather than the worker - Generalized work activities, work context, and organizational context
4. Experience requirements: Types and quantities of experience required for specific occupations - worker experience in other jobs, related training, on-the-job training, and certification requirements
5. Individual occupation characteristics: Reflects labor demand, supply, and other labor market information
6. Occupation-specific requirements: Information unique to a particular job - occupation-specific skills and knowledge, tasks and duties, and equipment used

JOB EVALUATION

A job evaluation is a systematic way of determining the value/worth of a job in relation to other jobs in an organization. It tries to make a systematic comparison between jobs to assess their relative worth for the purpose of establishing a rational pay structure. Job evaluation needs to be differentiated from job analysis. Job analysis is a systematic way of gathering information about a job. Every job evaluation method requires at least some basic job analysis in order to provide factual information about the jobs concerned. Thus, job evaluation begins with job analysis and ends at that point where the worth of a job is ascertained for achieving pay equity between jobs and different roles.

Process

The process of job evaluation involves the following steps:

- **Gaining acceptance:** Before undertaking job evaluation, top management must explain the aims and uses of the programme to managers, emphasizing the benefits. Employees and unions may be consulted, depending on the legal and employee relations environment and company culture. To elaborate the program further, presentations could be made to explain the inputs, process and outputs/benefits of job evaluation.
- **Creating job evaluation committee:** It is not possible for a single person to evaluate all the key jobs in an organization. Often a job evaluation committee consisting of experienced employees, union representatives and HR experts is created to set the ball rolling.
- **Finding the jobs to be evaluated:** Every job need not be evaluated. This may be too taxing and costly. Certain key jobs in each department may be identified. While picking up the jobs, care must be taken to ensure that they represent the type of work performed in that department, at various levels.
- **Analysing and preparing job description:** This requires the preparation of a job description and also an analysis of job specifications for successful performance.
- **Selecting the method of evaluation:** The method of evaluating jobs must be identified, keeping the job factors as well as organisational demands in mind. Selecting a method also involves consideration of company culture, and the capacity of the compensation and benefits function or job evaluation committee.
- **Evaluating jobs:** The relative worth of various jobs in an organisation may be determined by applying the job evaluation method. The method may consider the “whole job” by ranking a set of jobs, or by comparing each job to a general level description. Factor-based methods require consideration of the level of various compensable factors (criteria) such as level and breadth of responsibility, knowledge and skill required, complexity, impact, accountability, working conditions, etc. These factor comparisons can be one with or without numerical scoring. If there is numerical scoring, weights can be assigned to each such factor and scores are associated with different levels of each factor, so that a total score is determined for the job. All methods result in an assigned grade level.

Installing the Programme

Once the evaluation process is over and a plan of action is ready, management must explain it to employees and put it into operation.

Reviewing Periodically

In the light of changes in environmental conditions (technology, products, services, etc.) jobs need to be examined closely. For example, the traditional clerical functions have undergone a rapid change in sectors like banking, insurance and railways, after computerisation. New job descriptions need to be written and the skill needs of new jobs need to be duly incorporated in

the evaluation process. Otherwise, employees may feel that all the relevant job factors - based on which their pay has been determined - have not been evaluated properly.

For job evaluation to be practicable it is necessary:

- That jobs can be easily identified.
- That there are sufficient differences between different jobs.
- That agreements know the relative importance or worth of different jobs can be negotiated between the enterprise and its employees and their representatives.

Methods

There are primarily three methods of job evaluation: Ranking, Classification, Factor comparison method or Point method. While many variations of these methods exist in practice, the three basic approaches are described here.

Ranking Method

Perhaps the simplest method of job evaluation is the ranking method. According to this method, jobs are arranged from highest to lowest, in order of their value or merit to the organization. Jobs can also be arranged according to the relative difficulty in performing them. The jobs are examined as a whole rather than on the basis of important factors in the job; the job at the top of the list has the highest value and obviously the job at the bottom of the list will have the lowest value. Jobs are usually ranked in each department and then the department rankings are combined to develop an organizational ranking. The variation in payment of salaries depends on the variation of the nature of the job performed by the employees. The ranking method is simple to understand and practice and it is best suited for a small organization. Its simplicity however works to its disadvantage in big organizations because rankings are difficult to develop in a large, complex organization. Moreover, this kind of ranking is highly subjective in nature and may offend many employees. Therefore, a more scientific and fruitful way of job evaluation is called for.

Classification Method (Grading method)

According to this method, a predetermined number of job groups or job classes are established and jobs are assigned to these classifications. This method places groups of jobs into job classes or job grades. Separate classes may include office, clerical, managerial, personnel, etc. Following is a brief description of such a classification in an office.

- Class I - Executives: Further classification under this category may be Office Manager, Deputy office manager, Office superintendent, Departmental supervisor, etc.
- Class II - Skilled workers: Under this category may come the Purchasing assistant, Cashier, Receipts clerk, etc.
- Class III - Semiskilled workers: Under this category may come Stenotypists, Machine-operators, Switchboard operator etc.
- Class IV - Unskilled workers: This category may comprise peons, messengers, housekeeping staff, Daftaris, File clerks, Office boys, etc.

The job grading method is less subjective when compared to the earlier ranking method. The system is very easy to understand and acceptable to almost all employees without hesitation. One strong point in favour of the method is that it takes into account all the factors that a job comprises. This system can be effectively used for a variety of jobs. The weaknesses of the Grading method are:

1. Even when the requirements of different jobs differ, they may be combined into a single category, depending on the status a job carries.
2. It is difficult to write all-inclusive descriptions of a grade.
3. The method oversimplifies sharp differences between different jobs and different grades.
4. When individual job descriptions and grade descriptions do not match well, the evaluators have the tendency to classify the job using their subjective judgements.

Factor Comparison Method or Point Method

This method is widely used and is considered to be one of the reliable and systematic approach for job evaluation in mid and large size organisations. Most consulting firms adopt this method, which was pioneered by Edward Hay in 1943. Here, jobs are expressed in terms of key factors. Points are assigned to each factor after prioritizing each factor in order of importance. The points are summed up to determine the wage rate for the job. Jobs with similar point totals are placed in similar pay grades. The procedure involved may be explained thus:

1. Select key jobs. Identify the factors common to all the identified jobs such as skill, effort, responsibility, etc.
2. Divide each major factor into a number of sub factors. Each sub factor is defined and expressed clearly in the order of importance, preferably along a scale.

The most frequent factors employed in point systems are:

- i. Skill (key factor): Education and training required, Breadth/depth of experience required, Social skills required, Problem-solving skills, Degree of discretion/use of judgement, Creative thinking.
- ii. Responsibility/Accountability: Breadth of responsibility, Specialized responsibility, Complexity of the work, Degree of freedom to act, Number and nature of subordinate staff, Extent of accountability for equipment/plant, Extent of accountability for product/materials.
- iii. Effort: Mental demands of a job, Physical demands of a job, Degree of potential stress.

The educational requirements (sub factor) under the skill (key factor) may be expressed thus in the order of importance.

3. Find the maximum number of points assigned to each job (after adding up the point values of all sub-factors of such a job).

This would help in finding the relative worth of a job. For instance, the maximum points assigned to an officer's job in a bank come to 540. The manager's job, after adding up key factors + sub

factors points, may be getting a point value of say 650 from the job evaluation committee. This job is now priced at a higher level.

4. Once the worth of a job in terms of total points is expressed, the points are converted into money values keeping in view the hourly/daily wage rates. A wage survey is usually undertaken to collect wage rates of certain key jobs in the organization.

Market Pricing

Market pricing is the process for determining the external value of jobs, allowing you to establish wage and salary structures and pay rates that are market sensitive. Job matching session is conducted.

Merits and Demerits

The point method is a superior and widely used method of evaluating jobs. It forces raters to look into all key factors and sub-factors of a job. Point values are assigned to all factors in a systematic way, eliminating bias at every stage. It is reliable because raters using similar criteria would get more or less similar answers. The methodology underlying the approach contributes to a minimum of rating error. It accounts for differences in wage rates for various jobs on the strength of job factors. Jobs may change over time, but the rating scales established under the point method remain unaffected. On the negative side, the point method is complex. Preparing a manual for various jobs, fixing values for key and sub-factors, establishing wage rates for different grades, etc., is a time consuming process. According to Decenzo and Robbins, “the key criteria must be carefully and clearly identified, degrees of factors have to be agreed upon in terms that mean the same to all rates, the weight of each criterion has to be established and point values must be assigned to degrees”. This may be too taxing, especially while evaluating managerial jobs where the nature of work (varied, complex, novel) is such that it cannot be expressed in quantifiable numbers.

Limitations

1. Job evaluation is not completely scientific.
2. Different job evaluators may reach different results, requiring validation.
3. More complex systems, such as point factor, may be difficult to explain to managers or employees.

Concept of Job Evaluation

What is job design? As we just explained, job analysis provides job-related data as well as the skills and knowledge required for the incumbent to perform the job. A better job performance also requires deciding on sequence of job contents. This is called ‘job design’. Job design is a logical sequence to job analysis. In other words, job design involves specifying the contents of a job, the work methods used in its performance and how the job relates to other jobs in the organisation.

A few definitions on job design are produced here with a view to help you understand the meaning of job design in a better manner. Michael Armstrong has defined job design as “the process of deciding on the contents of a job in terms of its duties and responsibilities, on the methods to be

used in carrying out the job, in terms of techniques, systems and procedures, and on the relationships that should exist between the job holder and his superiors, subordinates and colleagues”.

Mathis and Jackson have defined job design as “a process that integrates work content (tasks, functions, relationships), the rewards(extrinsic and intrinsic), and the qualifications required (skills, knowledge, abilities) for each job in a way that meets the needs of employees and organisations.”

Popplewell and Wildsmith define job design in these words, “involves conscious efforts to organise tasks, duties, and responsibilities into a unit of work to achieve certain objectives”.

Having gone through the above definitions of job design, it can now be described as a deliberate attempt made to structure both technical and social aspects of the job to attain a fit between the individual (job holder) and the job. The very idea is that job should be designed in such a way as to enable employees to control over the aspects of their work. The underlying justification being that by doing this, it enhances the quality of the work life, harnesses the potential of the workers in a more effective manner and thereby improves employee performance.

Techniques for Designing Jobs

Basically, there are four techniques used in the design of jobs. These include Job simplification, Job enlargement, Job enrichment and Job rotation.

Job Simplification

Job simplification is a design method whereby jobs are divided into smaller components and subsequently assigned to workers as whole jobs. Simplification of work requires that jobs be broken down into their smallest units and then analysed. Each resulting sub-unit typically consists of relatively few operations. These subunits are then assigned to the workers as their total job. Many fast food restaurants such as McDonald’s, Burger King and KFC use simplification because employees can learn tasks rapidly; short work cycles allow task performance with little or no mental effort and low-skilled and low-paid employees can be hired and trained easily.

On the negative side, job simplification results in workers experiencing boredom, frustration, alienation, lack of motivation and low job satisfaction. This, in turn, leads to lower productivity and increased cost.

Job Enlargement

Job enlargement expands a job horizontally. It increases job scope; that is, it increases the number of different operations required in a job and the frequency with which the job cycle is repeated. By increasing the number of tasks an individual performs, job enlargement increases the job scope, or job diversity. Instead of only sorting the incoming mail by department, for instance, a mail sorter’s job could be enlarged to include physically delivering the mail to the various departments or running outgoing letters through the postage meter.

Efforts at job enlargement have met with less than enthusiastic results. As one employee who experienced such a redesign on his job remarked, “Before I had one lousy job. Now, through enlargement, I have three!” So while job enlargement attacks the lack of diversity in overspecialised jobs, it has done little to provide challenge or meaningfulness to a worker’s activities.

Job Rotation

Job rotation refers to the movement of an employee from one job to another. Jobs themselves are not actually changed, only the employees are rotated among various jobs. An employee who works on a routine job moves to work on another job for some hours/days/months and returns to the first job. This measure relieves the employee from the boredom and monotony, improves the employee's skills regarding various jobs and prepares worker's self-image and provides personal growth. However, frequent job rotations are not advisable in view of their negative impact on the organisation and the employee.

Job Enrichment

Job enrichment, as currently practiced in industry, is a direct outgrowth of Herzberg's Two Factor Theory of motivation. It is, therefore, based on the assumption that in order to motivate personnel, the job itself must provide opportunities for achievement recognition, responsibility, advancement and growth. The basic idea is to restore to jobs the elements of interest that were taken away under intensive specialisation. Job enrichment tries to embellish the job with factors that Herzberg characterised as motivators: achievement, recognition, increased responsibilities, opportunities for growth, advancement and increased competence. There is an attempt to build into jobs a higher sense of challenge and achievement, through vertical job loading. Job enrichment has four unique aspects:

- It changes the basic relationship between employees and their work. Interesting and challenging work, as studies have proved, can be a source of employee satisfaction.
- It changes employee behaviours in ways that gradually lead to more positive attitudes about the organisation and a better self-image. Feeling of autonomy and personal freedom help employees view their jobs in a favourable way.
- It helps the employer to bring about organisational changes easily, securing employee cooperation and commitment.
- Job enrichment can humanise an organisation. 'Individuals can experience the psychological that comes from developing new competencies and doing a job well. Individuals are encouraged to grow and push themselves.'

TRAINING AND DEVELOPMENT

Training and development involves improving the effectiveness of organizations and the individuals and teams within them. Training may be viewed as related to immediate changes in organizational effectiveness via organized instruction, while development is related to the progress of longer-term organizational and employee goals. While training and development technically have differing definitions, the two are oftentimes used interchangeably and/or together. Training and development has historically been a topic within applied psychology but has within the last two decades become closely associated with human resources management, talent management, human resources development, instructional design, human factors, and knowledge management.

Practice

Training and development encompasses three main activities: training, education, and development.

The “stakeholders” in training and development are categorized into several classes. The sponsors of training and development are senior managers. The clients of training and development are business planners. Line managers are responsible for coaching, resources, and performance. The participants are those who actually undergo the processes. The facilitators are Human Resource Management staff. And the providers are specialists in the field. Each of these groups has its own agenda and motivations, which sometimes conflict with the agendas and motivations of the others.

Especially in the last couple decades, training has become more trainee-focused, which allows those being trained more flexibility and active learning opportunities. For example, these active learning techniques include exploratory/discovery learning, error management training, guided exploration, and mastery training. Typical projects in the field include executive and supervisory/management development, new-employee orientation, professional-skills training, technical/job training, customer-service training, sales-and-marketing training, and health-and-safety training. Training is particularly critical in high-reliability organizations, which rely on high safety standards in order to prevent catastrophic damage to employees, equipment, or the environment (e.g. nuclear power plants, operating rooms).

Benefits

Training has been used in organizations for the past several decades. Although training and development requires investments of many types, there are cited benefits to integrating training and development into organizations:

- Increased productivity and job performance.
- Skills development.
- Team development.
- Decreasing safety-related accidents.

However, if the training and development is not strategic and pointed at specific goals, it can lead to more harm than good. Needs assessments, especially when the training is being conducted on a large-scale, are frequently conducted in order to gauge what needs to be trained, how it should be trained, and how extensively. Needs assessments in the training and development context often reveal employee and management-specific skills to develop (e.g. for new employees), organizational-wide problems to address (e.g. performance issues), adaptations needed to suit changing environments (e.g. new technology), or employee development needs (e.g. career planning). The degree of effectiveness of training and development programs can be predicted by the needs assessment and how closely the needs were met, the execution of the training (i.e. how effective the trainer was), and trainee characteristics (e.g. motivation, cognitive abilities). Effectiveness of training is typically done on an individual or team-level, with few studies investigating the impacts on organizations.

Occupation

The Occupational Information Network (O*NET) cites training and development specialists as having a bright outlook, meaning that the occupation will grow rapidly or have several job openings in the next few years. Related professions include training and development managers, (chief) learning officers, industrial-organizational psychologists, and organization development consultants. Training and development specialists are equipped with the tools to conduct needs analyses, build training programs to suit the needs of the organization by using a variety of training techniques, create training materials, and execute and guide training programs.

HUMAN RESOURCE ACCOUNTING

Human resource accounting is the process of identifying and reporting investments made in the human resources of an organization that are presently unaccounted for in the conventional accounting practices. It is an extension of standard accounting principles. Measuring the value of the human resources can assist organizations in accurately documenting their assets.

Objectives

The human resource process was established to fulfill a number of objectives within the organization. These include:

1. To furnish cost value information for making proper and effective management decisions about acquiring, allocating, developing, and maintaining human resources in order to achieve cost effective organizational objectives.
2. To monitor effectively the use of human resources by the management.
3. To have an analysis of the Human Asset, i.e. whether such assets are conserved, depleted, or appreciated.
4. To aid in the development of management principles and proper decision making for the future, by classifying financial consequences of various practices.

Methods

Approaches to human resource accounting H.R.A were first developed in 1691. The next approach was developed from 1691-1960, and the third phase was post-1960.

There are two approaches to HRA. Under the *cost approach*, also called the “human resource cost accounting method” or model, there is an acquisition cost model and a replacement cost model. Under the *value approach*, there is a present value of future earnings method, a discounted future wage model, and a competitive bidding model.

Considering the pros and cons of various models, Chennai based CA Lakshminarayanan Ramanujam has worked out a simple to use and easy to adopt, unique model titled GiveGET, for the Human Resource Valuation and Accounting, while accounting for PEACE.

Cost approach

This approach is also called an acquisition cost model. This method measures the organization's investment in employees using the five parameters: recruiting, acquisition, formal training and familiarization, informal training and informal familiarization, and experience and development. This model suggests that instead of charging the costs to profit and loss statement (p&l) accounting, it should be capitalized in the balance sheet. The process of giving a status of asset to the expenditure item is called capitalization.

In human resource management, it is necessary to amortize the capitalized amount over a period of time. So, here one will take the age of the employee at the time of recruitment and at the time of retirement. Out of these, a few employees may leave the organization before attaining the superannuation. This method is the only method of Human Resource Accounting that is based on sound accounting principles and policies.

Limitations

- The valuation method is based on the false assumption that the dollar is stable.
- Since the assets cannot be sold there are no independent checks of valuation.
- This method measures only the costs to the organization, but ignores completely any measure of the value of the employee to the organization.
- It is too tedious to gather the related information regarding the human values.
- It may be possible that the employee is already fully trained and there is no need to incur any development, training, or recruitment costs. It will create difficulty for a company to find out CTC according to acquisition model.
- Does not account for software which can reduce the overall cost of human resources from by having integrated software completing the tasks of staff.

Replacement Cost Approach

This approach measures the cost of replacing an employee. replacement cost includes recruitment, selection, compensation, and training cost (including the income foregone during the training period). The data derived from this method could be useful in deciding whether to dismiss or replace the staff.

Limitations

- Substitution of replacement cost method for historical cost method does little more than update the valuation, at the expense of importing considerably more subjectivity into the measure. This method may also lead to an upwardly biased estimate because an inefficient firm may incur a greater cost to replace an employee.

Present Value of Future Earnings

Lev and Schwartz proposed an economic valuation of employees based on the present value of future earnings, adjusted for the probability of employees' death/separation/retirement. This method helps in determining what an employee's future contribution is worth today.

Limitations

- The measure is an objective one because it uses widely based statistics such as census income return and mortality tables.
- The measure assigns more weight to averages than to the value of any specific group or individual.

Value to the Organization

When an organization had several divisions seeking the same employee, the employee should be allocated to the highest bidder and the bid price incorporated into that division's investment base. For example, a value of a professional athlete's service is often determined by how much money a particular team, acting in an open competitive market, is willing to pay him or her.

Limitations

- The soundness of the valuation depends wholly on the information, judgment, and impartiality of the bidder.

Expense Model

This model focuses on attaching dollar estimates to the behavioral outcomes produced by working in an organization. Criteria such as absenteeism, turnover, and job performance are measured using traditional organizational tools, and then costs are estimated for each criterion. For example, in costing labor turnover, dollar figures are attached to separation costs, replacement costs, and training costs.

Model on Human Resource Accounting

This model prescribes the human resource accounting approach for two categories of employees:

- Employees, who are at strategic, key decision-making positions such as MD, CEO.
- Employees, who execute the decision taken by Top Executives (Vice President, Directors).
- Model arrives value of human resources as sum of below-mentioned three parts:
 - Real capital cost part.
 - Present value of future salary/wages payments.
 - Performance evaluation part.

Limitations

- Calculation process is lengthy and cumbersome.
- Lev and Schwartz valuation principles have been used at one point of time, so this model contains a weakness from the Lev and Schwartz model.

Other limitations

1. Ravindra Tiwari has prescribed another approach to value human resources at the time of annual appraisal exercise, which suggests valuation of human resources on different appraisal parameters.

Human resource accounting is the accounting methods, systems, and techniques, which coupled with special knowledge and ability, assist personnel management in the valuation of personnel in their knowledge, ability and motivation in the same organization as well as from organization to organization. It means that some employees become a liability instead of becoming a human resource. HRA facilitates decision making about the personnel, i.e. either to keep or to dispense with their services or to provide mega-training. There are many limitations that make the management reluctant to introduce HRA. Some of the attributes are:

1. There are no clear cut and specific procedures or guidelines for finding costs and value of human resources of an organization. The systems that are being adopted all have certain drawbacks.
2. The period of existence of human resources is uncertain and hence valuing them under uncertainty in the future seems to be unrealistic.
3. The much needed empirical evidence is yet to be found to support the hypothesis that HRA as a tool of management facilitates better and effective management of human resources.
4. Since human resources are incapable of being owned, retained, and utilized, unlike physical assets, this poses a problem to treat them as assets in the strict sense.
5. There is a constant fear of opposition from trade unions as placing a value on employees would make them claim rewards and compensations based on such valuations.
6. In spite of all its significance and necessity, tax laws don't recognize human beings as assets.
7. There is no universally accepted method of the valuation of human resources.

ORGANIZATIONAL BEHAVIOR AND HUMAN RESOURCES

Organizational behavior and human resources (OBHR) is a field of study housed in most business schools that has evolved from the overlap in offerings and objectives from courses taught in organizational behavior and human resource management.

Organizational Behavior studies human behavior in social settings with an emphasis on explaining, predicting, and understanding behavior in organizations. Empirical generalizations and theories emanating from the cognitive and reinforcement paradigms and models of social influence are examined as the basis for analysis and understanding of topics such as motivation, leadership

behavior, task performance, problem solving and decision making, group functioning, and other classes of behavior relevant to organizational effectiveness.

Human Resource Management emphasizes human resource systems, design and implementation of various personnel tests, collection and validation of employee demographic data, job classification techniques, examination of psychometric requirements in compensation programming, training impact analysis, and issues in performance appraisal systems. .

The Society for Human Resource Management reports that there are at least 190 OBHR graduate programs worldwide, including both masters and doctoral programs.

EMPLOYEE WELFARE

Employee welfare is defined as “efforts to make life worth living for workmen”. “Employee welfare is a comprehensive term including various services, benefits and facilities offered to employees & by the employers. Through such generous fringe benefits the employer makes life worth living for employees.”

Welfare includes anything that is done for the comfort and improvement of employees and is provided over and above the wages. Welfare helps in keeping the morale and motivation of the employees high so as to retain the employees for longer duration. The welfare measures need not be in monetary terms only but in any kind/forms. Employee welfare includes monitoring of working conditions, creation of industrial harmony through infrastructure for health, industrial relations and insurance against disease, accident and unemployment for the workers and their families.

Employee welfare entails all those activities of employer which are directed towards providing the employees with certain facilities and services in addition to wages or salaries.

The very logic behind providing welfare schemes is to create efficient, healthy, loyal and satisfied labor force for the organization. The purpose of providing such facilities is to make their work life better and also to raise their standard of living.

These efforts have their origin either in some statute formed by the state or in some local custom or in collective agreement or in the employer’s own initiative:

- To give expression to philanthropic and paternalistic feelings.
- To win over employee’s loyalty and increase their morale.
- To combat trade unionism and socialist ideas.
- To build up stable labour force, to reduce labour turnover and absenteeism.
- To develop efficiency and productivity among workers.
- To save oneself from heavy taxes on surplus profits.
- To earn goodwill and enhance public image.
- To reduce the threat of further government intervention.
- To make recruitment more effective (because these benefits add to job appeal).

The important benefits of welfare measures can be summarized as follows:

- They provide better physical and mental health to workers and thus promote a healthy work environment
- Facilities like housing schemes, medical benefits, and education and recreation facilities for workers' families help in raising their standards of living. This makes workers to pay more attention towards work and thus increases their productivity.
- Employers get stable labor force by providing welfare facilities. Workers take active interest in their jobs and work with a feeling of involvement and participation.
- Employee welfare measures increase the productivity of organization and promote healthy industrial relations thereby maintaining industrial peace.
- The social evils prevalent among the labors such as substance abuse, etc are reduced to a greater extent by the welfare policies.

Principles of Employee Welfare Service

Following are generally given as the principles to be followed in setting up a employee welfare service:

- The service should satisfy real needs of the workers. This means that the manager must first determine what the employee's real needs are with the active participation of workers.
- The service should such as can be handled by cafeteria approach. Due to the difference in Sex, age, marital status, number of children, type of job and the income level of employees there are large differences in their choice of a particular benefit. This is known as the cafeteria approach. Such an approach individualises the benefit system though it may be difficult to operate and administer.
- The employer should not assume a benevolent posture.
- The cost of the service should be calculate and its financing established on a sound basis.
- There should be periodical assessment or evaluation of the service and necessary timely on the basis of feedback.

Objectives of Employee Welfare

Labour Welfare aims at the whole development of the person of the working class. The Labour Welfare Policies of any organization should keep in mind the following objectives:

- To increase the standard of living of the. Working class: The labourer is more prone to exploitation from the capitalists if there is no standardized way of looking after their welfare.
- To make the management feel the employees are satisfied about the work and working conditions.
- To reduce the labour problems in the orgnisaton: There are various problems affecting the workers, problems like absenteeism, turnover ratio, indebtedness, alcoholism, etc., which

make the labourer further weak both physically and psychologically. Labour Welfare looks forward to helping the labourer to overcome these problems.

- To recognize human values Every person has his own personality and needs to be recognized and developed. It is in the hands of the management to shape them and help them grow. The management employs various methods to recognize each one's worth as an individual and as an asset to the organization.
- Labour Welfare helps to foster a sense of responsibility in the industry: A person works both in a group and as an individual. If the person is given responsibility he will act better or else he will be only a slave to the direction of the superiors and will not show any initiative to prove his worth,
- Labour Welfare improves industrial relations and reduces industrial disputes: Industrial dispute in any industry is a sign of unsatisfied employees. Labour Welfare measures act as a preventive tool to most of these disputes.
- To retain the employees There should be fixed policies: This calls in to prepare the policies, to conduct different training programmes, to have various motivational schemes, to create interest in the job. The employees who feel secure in an organisation, backed by fixed welfare policies have less chance of looking for a job elsewhere.
- To show up their positive mind in the work: Positive mind refers to the development of one's attitudes. This is to change the negative attitude into positive.
- To influence over other employees: This means Labour Welfare helps to change one's personality – presentation skills, communication skills, inter-personal relationships, etc. This is best achieved when their morale is kept high by the different welfare schemes.
- To increase the bargaining power of the employees: Bargaining means to systematically extract something from the opponent. The better bargaining power, the better influence on the opponent. Labour welfare measures like formation of works committee, worker's participation, Trade Union, etc., will surely help them to have better bargaining power.

Scope of Employee Welfare

The scope of employee Welfare cannot be limited, since it differs according to social customs and the degree of industrialization indifferent countries and at different times. They have to be elastic and flexible enough to suit the conditions of the workers, and to include all the essential prerequisites of life and the minimum basic amenities. The laws of every country highlight directions to specific application to the working class, the necessity of securing just and humane conditions of work, for them. However, what these conditions actually imply cannot be specified in rigid terms for all times and situations.

Thus, the subject of Labour Welfare is fairly wide and is not limited to anyone country, region or industry. Writers and institutions have described its scope in different ways and from different angles. The line of demarcation cannot be very precise. But what should be common is that a welfare measure should enhance the working and living conditions of the workers and their families and make their lives better worth living. In other words, Labour Welfare policies should "Enable workers to live a richer and more satisfactory life".

Importance of Employee Welfare

Employee welfare raises the company's expenses but if it is done correctly, it has huge benefits for both employer and employee. Under the principles of employee welfare, if an employee feels that the management is concerned and cares for him/her as a person and not just as another employee, he/she will be more committed to his/her work. Other forms of welfare will aid the employee of financial burdens while welfare activities break the monotony of work. An employee who feels appreciated will be more fulfilled, satisfied and more productive. This will not only lead to higher productivity but also satisfied customers and hence profitability for the company. A satisfied employee will also not go looking for other job opportunities and hence an employer will get to keep the best talents and record lower employee turnover.

During employment, the offered benefits will determine whether an employee commits to an organization or not. As such, good employee welfare enables a company to compete favorably with other employers for the recruitment and retention of quality personnel.

Legal Requirements

For employers, compliance to the law requires the extension of certain benefits to the employees. Some include matching the amount expended by the workers for Social Security taxes and instituting an insurance policy for worker's recompense.

Types of Employee Welfare

Employee welfare can be categorized as statutory or non-statutory, meaning as required by the law or by the will of the management respectively. Welfare activities can also be classified as either intra-mural (inside the workplace) or extra-mural (outside the workplace). Intramural welfare facilities are those within the working environment and include condition of the working environment (safety, cleanliness, and safety measures), employee convenience (bathrooms, drinking water), health services (first aid and treatment center, ambulance, counseling) and women and child welfare (family planning services, maternity aid). Extramural welfare activities are diverse with many of them being sponsored by government acts. Some include comfortable residences, proper roads and infrastructure and sanitation while constitutional acts such as the factories act of 1948 and contract labor act of 1970 are examples of governmental welfare activities.

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PERMISSIONS

All chapters in this book are published with permission under the Creative Commons Attribution Share Alike License or equivalent. Every chapter published in this book has been scrutinized by our experts. Their significance has been extensively debated. The topics covered herein carry significant information for a comprehensive understanding. They may even be implemented as practical applications or may be referred to as a beginning point for further studies.

We would like to thank the editorial team for lending their expertise to make the book truly unique. They have played a crucial role in the development of this book. Without their invaluable contributions this book wouldn't have been possible. They have made vital efforts to compile up to date information on the varied aspects of this subject to make this book a valuable addition to the collection of many professionals and students.

This book was conceptualized with the vision of imparting up-to-date and integrated information in this field. To ensure the same, a matchless editorial board was set up. Every individual on the board went through rigorous rounds of assessment to prove their worth. After which they invested a large part of their time researching and compiling the most relevant data for our readers.

The editorial board has been involved in producing this book since its inception. They have spent rigorous hours researching and exploring the diverse topics which have resulted in the successful publishing of this book. They have passed on their knowledge of decades through this book. To expedite this challenging task, the publisher supported the team at every step. A small team of assistant editors was also appointed to further simplify the editing procedure and attain best results for the readers.

Apart from the editorial board, the designing team has also invested a significant amount of their time in understanding the subject and creating the most relevant covers. They scrutinized every image to scout for the most suitable representation of the subject and create an appropriate cover for the book.

The publishing team has been an ardent support to the editorial, designing and production team. Their endless efforts to recruit the best for this project, has resulted in the accomplishment of this book. They are a veteran in the field of academics and their pool of knowledge is as vast as their experience in printing. Their expertise and guidance has proved useful at every step. Their uncompromising quality standards have made this book an exceptional effort. Their encouragement from time to time has been an inspiration for everyone.

The publisher and the editorial board hope that this book will prove to be a valuable piece of knowledge for students, practitioners and scholars across the globe.

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The image shows the letters 'WWT' in a large, bold, light gray font. The 'W' is composed of three vertical strokes, and the 'T' is a simple vertical stroke with a horizontal top bar. The letters are centered horizontally and vertically in the lower half of the page.