ORGANIZATIONAL BEHAVIOUR

Based on polytechnic series



IOORHAFIZAH AKUP | SHATILA SHANI | SAPIAH ISHAK

HD58.7 .O74 2021



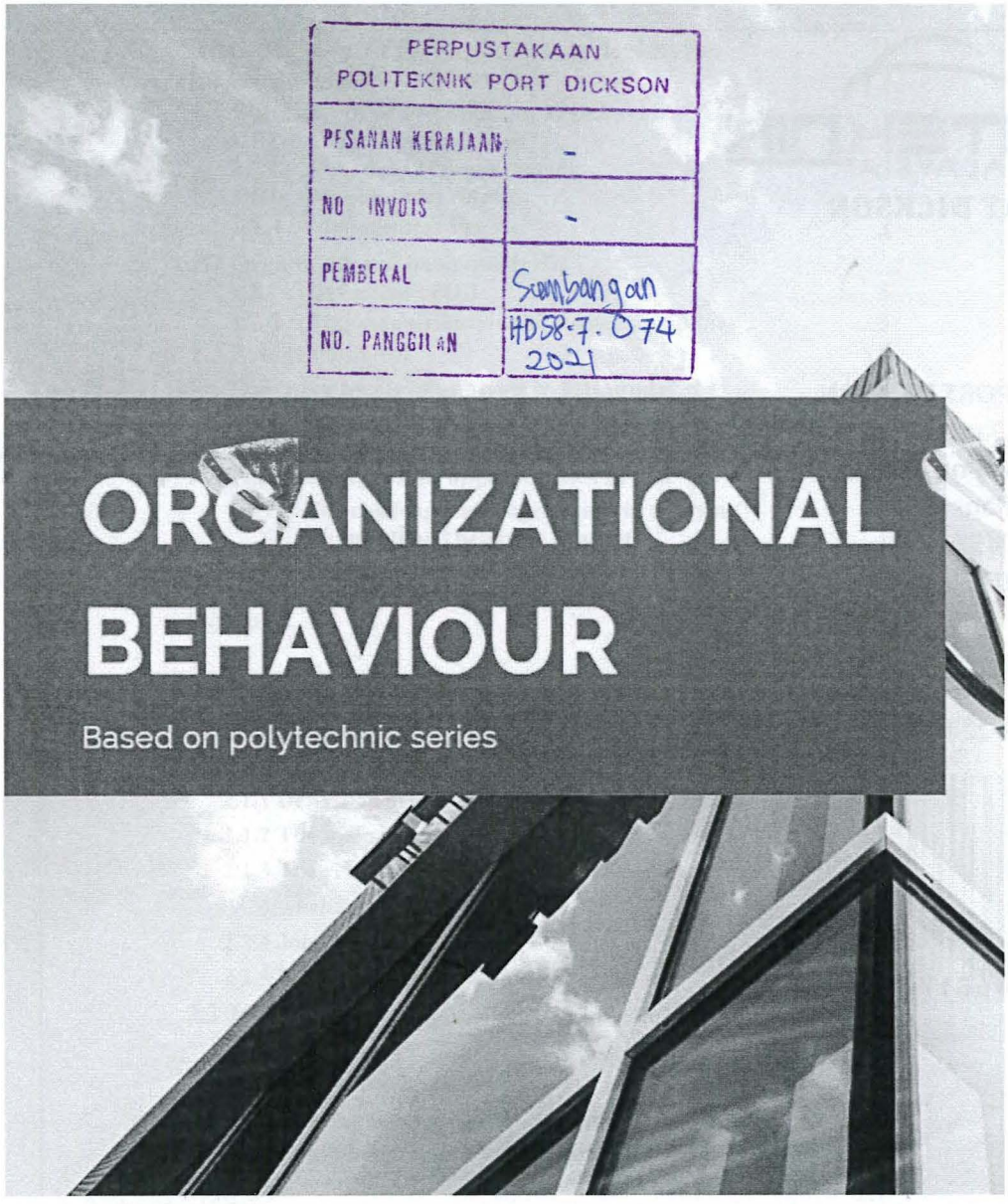
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PREFACE

This Organizational Behavior book was produced for the purpose of reference for lecturers who teach this course as well as students who take this course. This book is the result of writing with Noorhafizah Akup, Sapiah Ishak and Shatila Shani. All three writers are business management lecturers who teach this course at Politeknik Mukah, Sarawak. The idea of publishing this book arose when the lecturer had difficulty in finding a suitable reference for teaching. Even students experience the same thing especially to get a reference to complete their assignment. Although there are other references as stated in the syllabus, the constraints such as the cost of getting the book is quite high to some extent making it difficult for students to have it. What is more, the reference source needed is also to comply with the current syllabus used by students and lecturers. Therefore, after the production of this book, it is hoped that it can help all parties who need such a reference book.

Noorhafizah
Sapiah
Shatila

Chapter 1

INTRODUCTION TO ORGANIZATIONAL BEHAVIOR

1.0. Introduction
1.1. The concept of organizational behavior
  1.1.1 What is management?
  1.1.2 Functions of management
  1.2.3 Management roles
  1.2.4 Management skills
1.2. Organizational behavior
  1.2.1 Definition of OB
  1.2.2 Major contribution in science disciplines
    I. Psychology
    II. Social psychology
    III. Sociology
    IV. Anthropology
1.3. Evolution of OB
1.4. The three levels of analysis in organizational behavior model
  1.4.1 Definition of dependent and independent variables
  1.4.2 Levels of analysis in organizational behavior model
    I. Individual level
    II. Group level
    III. Organizational level
1.5. The challenges and opportunities in OB
  1.5.1 The challenges managers have in applying organizational behavior concept
  1.5.2 The opportunities managers have in applying organizational behavior concept

LEARNING OBJECTIVE

After studying this chapter, you should be able to:

1. Define management and organizational behavior
2. Describe management function, roles and manager's skills.
3. Identify the major behavioral science disciplines that contribute to OB.
4. Describe the three levels of analysis in OB.
5. Identify the challenges and opportunities managers have in applying OB concepts.

1.0 INTRODUCTION

Succeeding in management today requires good people skills. Communication and leadership skills distinguish managers such John Chambers, who rise the top of their profession. Chambers is CEO of Cisco Systems, the world's largest maker of networking equipment. He is recognized worldwide as a visionary leader and innovator who has the ability to drive an entrepreneurial culture. As an effective communicator, he is described as warmhearted and straight talking. In this photo, Chambers delivers a speech during the launch ceremony of a green technology partnership Cisco formed with a university in China.

1.1 THE CONCEPT OF ORGANIZATIONAL BEHAVIOR

1.1.1 WHAT IS MANAGEMENT?

Management refers to *the act or skill of coordinating and overseeing the work activities of other so that their activities are completed efficiently and effectively.*

Manager is *an individual who achieves goals through other people.*

Organization refers to *a group of two or more people/ individuals who are working together to achieve a common goal.*





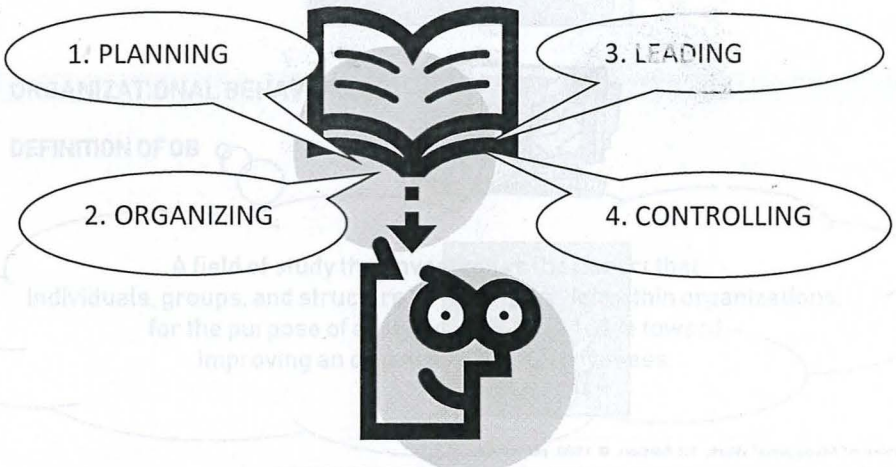
1.1.2 FUNCTIONS OF MANAGEMENT

As organizations exist to achieve goals, management has to define those goals and the means for achieving them.

- Planning
  - Planning function includes defining an organization's goals, establishing an overall strategy for achieving those goals. And developing a comprehensive set of plans to integrate and coordinate activities.

- Organizing
  - ❖ Organizing function includes designing an organizational structure. Its also determining what tasks are to be done, who is to do the tasks, how the tasks are to be grouped, who reports to whom and where decisions are to be made.
- Leading
  - ❖ Leading function includes directing and coordinating those people. When managers motivate employees, direct their activities, select the most effective communication channels, or resolve conflicts among members, they're engaging in leading.

- Controlling
  - ❖ Controlling function includes monitoring, comparing and potential correcting. This is to ensure things are going as they should, management must monitor the organization's performance and compare it with previously set goals.



1.1.3 MANAGEMENT ROLES

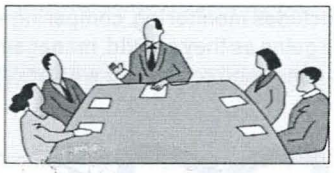
All managers have to perform these three basic management roles.

Interpersonal Roles *Managers are to perform duties that are ceremonial and symbolic in nature.*	Figurehead	Symbolic head; required to perform a number of routine duties of a legal or social nature.
	Leader	Responsible for the motivation and direction of employees
	Liaison	Maintains a network of outside contacts that provide favors and information.
Informational Roles *Managers are to connect all managerial work together and process information.*	Monitor	Receives a wide variety of information; serves as nerve center of internal and external information of the organization
	Disseminator	Transmits information received from outsiders or from other employees to members of the organization.
	Spokesperson	Transmits information to outsiders on organization's plans, policies, actions, and results; serves as expert on organization's industry

Decisional Roles *Managers are to decide the important decision from the information available.*	Entrepreneur	Searched organization and its environment for opportunities and initiates projects to bring about change
	Disturbance handler	Responsible for corrective action when organization faces important, unexpected disturbances
	Resource allocator	Makes or approves significant organizational decisions
	Negotiator	Responsible for representing the organization at major negotiations

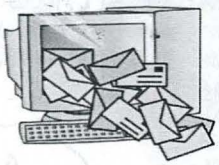
Interpersonal Roles

- Figurehead
- Leader
- Liaison



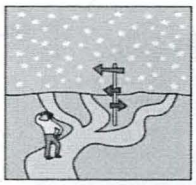
Informational Roles

- Monitor
- Disseminator
- Spokesperson



Decisional Roles

- Entrepreneur
- Disturbance handler
- Resource allocator
- Negotiator



Based on Mintzberg, Henry, *The Nature of Managerial Work*, 1st Edition, © 1980, pp. 93–94.

1.1.4 MANAGEMENT SKILLS

An excellent manager should have these three basic management skills:

1. Technical skills
   - The ability to apply specialized knowledge or expertise. Managers use the processes, techniques and tools of a specific area.

2. Human skills
   - The ability to work with, understand, and motivate other people, both individually and in groups. It involves the ability to communicate effectively with people. Managers interact and cooperate with people.

3. Conceptual skills
   - The mental ability to analyze and diagnose complex situations. It involves the formulation of ideas. Managers understand abstract situation, develop ideas, and solve problems creatively.

Management Functions	Management Roles	Management skills

• Planning
• Organizing
• Leading
• Controlling
	• Interpersonal roles
	  ○ Figurehead
	  ○ Leader
	  ○ Liaison
	• Informational roles
	  ○ Monitor
	  ○ Disseminator
	  ○ Spokesperson
	• Decisional roles
	  ○ Entrepreneur
	  ○ Disturbance handler
	  ○ Resource allocator
	  ○ Negotiator
		• Technical skills
		• Human skills
		• Conceptual skills

1.2 ORGANIZATIONAL BEHAVIOR (OB)

1.2.1 DEFINITION OF OB

A field of study that investigates the impact that individuals, groups, and structure have on behavior within organizations, for the purpose of applying such knowledge toward improving an organization's effectiveness.

Lets break down the definition:

- ✓ OB is a field of study
- ✓ Behavior can be examined in three levels
- ✓ OB applied the knowledge gained about individuals, groups and effect of organizational structure on employee behavior in order to make organizations work more effectively.

1.2.2 MAJOR CONTRIBUTION IN SCIENCE DISCIPLINES

Organizational behavior (OB) is a behavioral science that is built on contributions from several other behavioral and social sciences.

As a result, issues and topics of many other academic disciplines (subjects) are often studied in organizational behavior.

The field of OB borrows many concepts and methods from the following other behavioral and social sciences:

- Psychology
- Sociology
- Social psychology
- Anthropology
- Political science



Discipline	Contributions
• Psychology • Sociology • Social psychology • Anthropology • Political science	➢ Organizational psychology ➢ Organizational sociology ➢ Interpersonal behavior ➢ Organizational culture ➢ Power



A. Psychology

- Psychology refers to the science that seeks to measure, explain, and sometimes change the behavior of humans and other animals.
- Psychology is the science of the mind and behavior. The human mind is the most complex machine on earth. It is the source of all thought and behavior.
- The study of psychology includes the functions of the brain to the environments in which humans and other animals develop; from child development to aging.
- Contributions: learning, motivation, personality, emotions, perception, training, leadership effectiveness, job satisfaction, individual decision making, performance appraisal, attitude measurement, employee selection, work design and work stress.

B. Sociology

- Sociology is a study of society and human social interaction at group, organizational and even global levels. Sociology differs from psychology because it focuses on groups rather than individuals.
- The study of sociology can include short contacts between two strangers on the street to the global and cultural social processes.
- It also studies the social structures that humans create and maintain such as organizations, religion, and political systems.
- Contributions: group dynamics, design of work teams, organizational culture, formal organization theory and structure, bureaucracy, communications, status, power, conflict, and work life balance.

C. Social psychology

- Social psychology is an area within psychology that blends concepts from psychology and sociology.
- It is the study of how people think about others, how they influence others and relate to one another.
- Social psychology explores the force within an individual such as traits, attitudes and thoughts. It also explores the forces within the situation such as peer pressure, laws and rules.
- Contributions: measuring, understanding, and changing people's attitudes, communication patterns, the way in which group activities can satisfy individual needs, and the group decision-making processes.

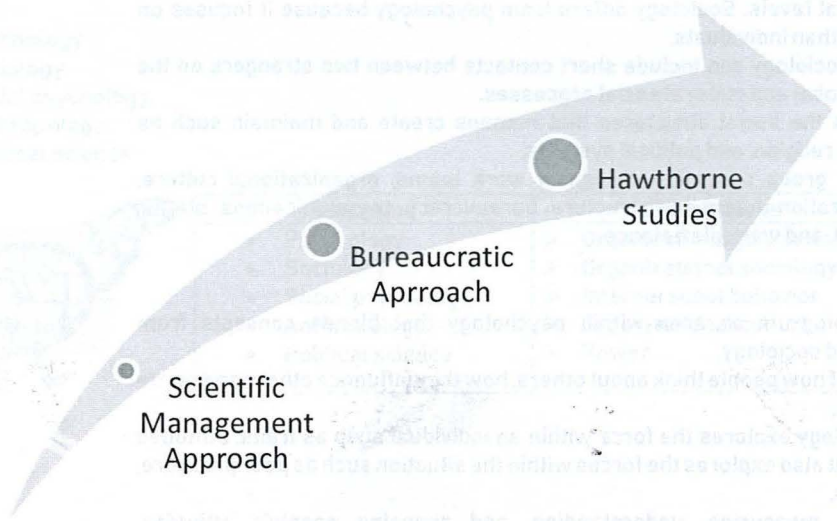
D. Anthropology

- Anthropology is the broad study of humankind around the world and throughout time. It is concerned with the biological and cultural aspects of humans.
- The study includes human diversity around the world, cross-cultural differences, different cultural beliefs and communication styles. Anthropology promotes an understanding between different cultures by explaining each culture to the other, and by focusing on similarities rather than differences.
- Contributions: helping organization to understand differences in values, attitudes and behavior between people from different countries.

E. Political science

- Political science is the study of the behavior of individuals and groups within a political environment.
- It is the study of politics, government, public policy, law and issues such as human rights, famous trials, women and politics, war and peace, the criminal justice system, protection of our environment, globalization, terrorism and peacekeeping.
- Contributions: providing information and insights into work related issues such as conflict management, allocation and distribution of power, and how people manipulate power for individual self-interest.

1.3 EVOLUTION OF ORGANIZATIONAL BEHAVIOR



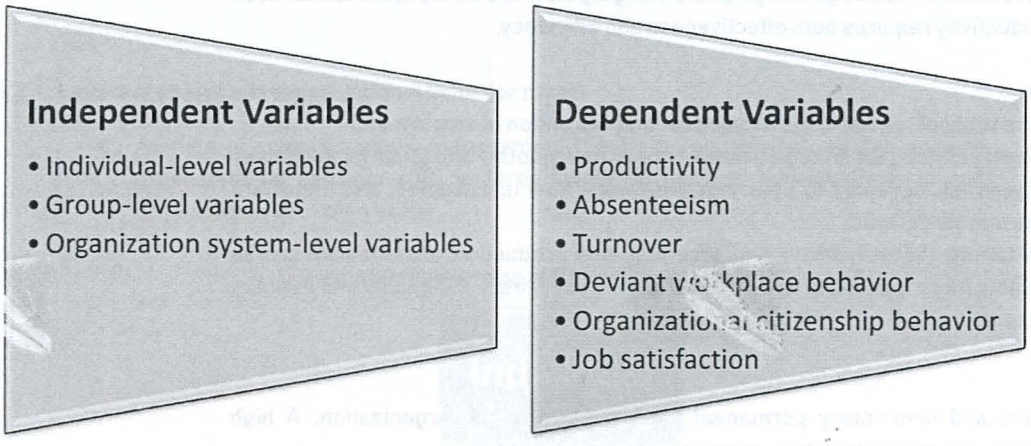
A. Scientific Management Approach
   - The scientific management approach was developed by Frederick Winslow Taylor. This theory supported the use of certain steps in scientifically studying each element of a job, selecting and training the best workers for the job and making sure that the workers follow the prescribed method of doing the job.
   - This provided a scientific rationale for job specialization and mass production. His assumption was that employees are motivated largely by money. To increase output, Taylor advised managers to pay monetary incentives to efficient workers.

B. Bureaucratic approach
   - Bureaucratic approach was introduced by Max Weber is a classical organization theory sought the most effective overall organizational structure for workers and managers.

C. Hawthorne studies
   - In 1924, a group of professors began an enquiry into the human aspects of work and working conditions at the Hawthorne plant of Western Electric Company, Chicago. The findings of these studies were given a new name 'human relations'.
   - The studies brought out a number of findings relevant to understanding human behavior at work. One of the findings is the human element in the workplace was considerably more important. The workers are influenced by social factors and behavior of the individual worker is determined by the group.

1.4 THE THREE LEVELS OF ANALYSIS IN ORGANIZATIONAL BEHAVIOR MODEL

1.4.1 Define dependent and independent variables



Independent variables : The presumed cause of some change in a dependent variable.

i. Individual-level variables
   - ✓ People enter organization with characteristics that influence their behavior at work. The most obvious are personal or biological characteristics such as age, gender, and marital status; personality characteristics; an inherent emotional framework; values and attitudes; and basic ability levels.
   - ✓ There is little management can do to alter these. Yet these variables have a very real impact on employee behavior.

ii. Group-level variables
   - ✓ We need to understand the behavior that happens due to the individual's interactions with other individuals at the group level.
   - ✓ Behavior at group level involves how one becomes a member of a group, teamwork, the way one communicates, makes decisions and handles interpersonal conflicts in a group setting.

iii. Organization system-level variables
   - ✓ Organizational behavior reaches its highest level of sophistication when we add formal structure to our knowledge of individual and group behavior.

Dependent variables

i. Productivity
- A performance measure that includes effectiveness and efficiency. An organization is productive if it achieves its goals by transforming inputs into outputs at the lowest cost.
- Thus productivity requires both effectiveness and efficiency.

ii. Absenteeism
- The failure to report to work. It is a huge cost and disruption to employers.
- It is obviously difficult for an organization to operate smoothly and attain its objectives if employees fail to report to their jobs. The work flow is disrupted, and important decisions may be delayed.
- In organizations that rely heavily on assembly-line production, absenteeism can be considerably more than a disruption; it can drastically reduce the quality and quantity of the output.

iii. Turnover
- A voluntary and involuntary permanent withdrawal from an organization. A high turnover rate increases recruiting, selection, and training costs.
- A high turnover rate can also disrupt the efficient running of an organization when knowledgeable and experienced personnel leave and replacements must be found to assume positions of responsibility.

iv. Deviant workplace behavior
- A voluntary behavior that violates significant organizational norms and, in so doing, threatens the well-being of the organization or its members. Deviant workplace also called antisocial behavior or workplace incivility).
- Managers want to understand the source of workplace deviance so they can avoid a chaotic work environment, and workplace deviance can also have a considerable financial impact.

v. Organizational citizenship behavior
- Discretionary behavior that is not part of an employee's formal job requirements but that nevertheless promotes the effective functioning of the organization.
- Successful organizations need employees, who will do more than usual job duties; who will provide performance beyond expectations.
- Employees who engage in "good citizenship" behaviors help others on their team, volunteer for extra work, avoid unnecessary conflict, and respect the spirit as well as the letter of rules and regulations.

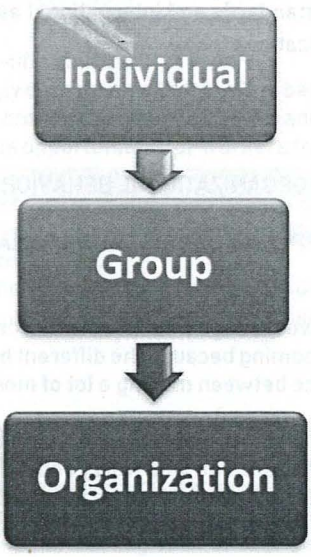
vi. Job satisfaction

- A positive feeling about one's job resulting from an evaluation of its characteristics.
- The belief that satisfied employees are more productive than dissatisfied employees. Employees who are more satisfied and treated fairly are more willing to engage in the above-and-beyond organizational citizenship behavior.

1.4.2 Levels of analysis in organizational behavior model

- As field of scientific study, management theorists suggest that we can analyze organizational behavior (OB) at three levels of analysis: individual, group and organization as shown below.

Level of Organizational Behavior Analysis



i. Individual level

- The various factors that can influence the behavior of individuals would be their perceptions, the way they learn, their personalities and abilities, the way they control their emotions and work stress, their attitudes at work and motivation.
- For example, a person who tends to learn by doing may not learn well in a training session that is based on lecture as it requires passive listening and no action.
- Manager need to understand the emotion of their subordinates and how the work environment can influence their emotions, for example, the

working condition, co-workers, supervisors and working climate that can create a conducive or a stressful situation at work.

ii. Group level
- Behavior at the group level involves how one becomes a member of a group, teamwork, the way one communicates, makes decisions and handles interpersonal conflicts in a group meeting.
- We also need skills and a good understanding of power, influence, politics and leadership in order to be effective working in groups.

iii. Organizational level
- At this level, we are looking at the whole organization. We can analyse the culture, structure and design of the organization. We also need to understand how the organization encourages creativity and to maintain the sustainability via organizational development.
- Issues related to the new initiatives or practices such as total quality management (TQM) or ISO standards and international aspects of OB play important level in the organizations today.

1.5 THE CHALLENGES AND OPPORTUNITES IN ORGANIZATIONAL BEHAVIOR

1.5.1 THE CHALLENGES MANAGERS HAVE IN APPLYING ORGANIZATION BEHAVIOR CONCEPT

I. Responding to economic pressures
- During difficult economic times, effective management is often at a premium. Anybody can run a company when business is booming because the different between good and bad management reflects the difference between making a lot of money and making a lot more money.
- When times are bad, though, managers are on the front lines with employees who must be fired, who are asked to make due with less, and who worry about their futures.
- The differences between good and bad management can be difference between profit and loss or, ultimately, between survival and failure.

II. Managing workforce diversity
- One of the most important challenges for organizations is adapting to people who are different.
- Workforce diversity acknowledges a workforce of women and men; many racial and ethnic groups; individuals with a variety of physical or psychological abilities; and people who differ in age and gender orientation.

III. Coping with "temporariness"
- In the past, employees were assigned to a specific work group, gaining a considerable amount of security working with the same people day in and day out. That predictability has been replaced by temporary work groups, with members

from different departments, and the increased use of employee rotation to fill constantly changing work assignment.

- Finally, organizations themselves are in a state of flux (inconsistent and unstable). They continuously reorganize their various divisions, sell off poorly performing businesses, downsize operations, subcontract noncritical services and operations to other organizations, and replace permanent employees with temporary workers.

IV. Working in networked organizations

- Networked organizations allow people to communicate and work together even though they may be thousands of miles apart. Independent contractors can telecommunicate via computer to workplaces around the globe and change employers as the demand for their services changes.
- The manager's job is different in a networked organization. Motivating and leading people and making collaborative decisions online requires different techniques than when individuals are physically present in a single location. As more employees do their jobs by linking to others through networks, managers must develop new skills.

V. Helping employees balance work-life conflicts

- Employees are increasingly complaining that the line between work and non-work time has become blurred, creating personal conflicts and stress. At the same time, todays' workplace presents opportunities for workers to create and structure their roles.
- Employees increasingly recognize that work infringes on their personal lives, and they're not happy about it. In fact, balancing work and life demands now surpasses job security as an employee priority.
- Organizations that don't help their people achieve work-life balance will find it increasingly difficult to attract and retain the most capable and motivated employees.

VI. Improving ethical behavior

- Managers and their organizations are responding to the problem of unethical behavior in a number of ways. They're offering seminars, workshops, and other training programs to try to improve ethical behaviors.
- They're providing in-house advisors who can be contacted, in many cases anonymously, for assistance in dealing with ethical issues, and they're creating protection mechanisms for employees who reveal internal unethical practices.

1.5.2 THE OPPORTUNITIES MANAGERS HAVE IN APPLYING ORGANIZATION BEHAVIOR CONCEPT

I. Responding to globalization

- Organizations are no longer constrained by national borders. Burger King is owned by a British firm, and McDonald's sells burgers in Moscow, new employees at Finland-based phone maker Nokia are increasingly being recruited from India, China and other developing countries.

- Globalization gave opportunities to the organization to expand their business and to have international professional employee whom can improve the entire organization.
- The world has become a global village. In the process, the manager's job has changed;
    a. Increased foreign assignment
    b. Working with people from different cultures
    c. Overseeing movement of jobs to countries with low-cost labor

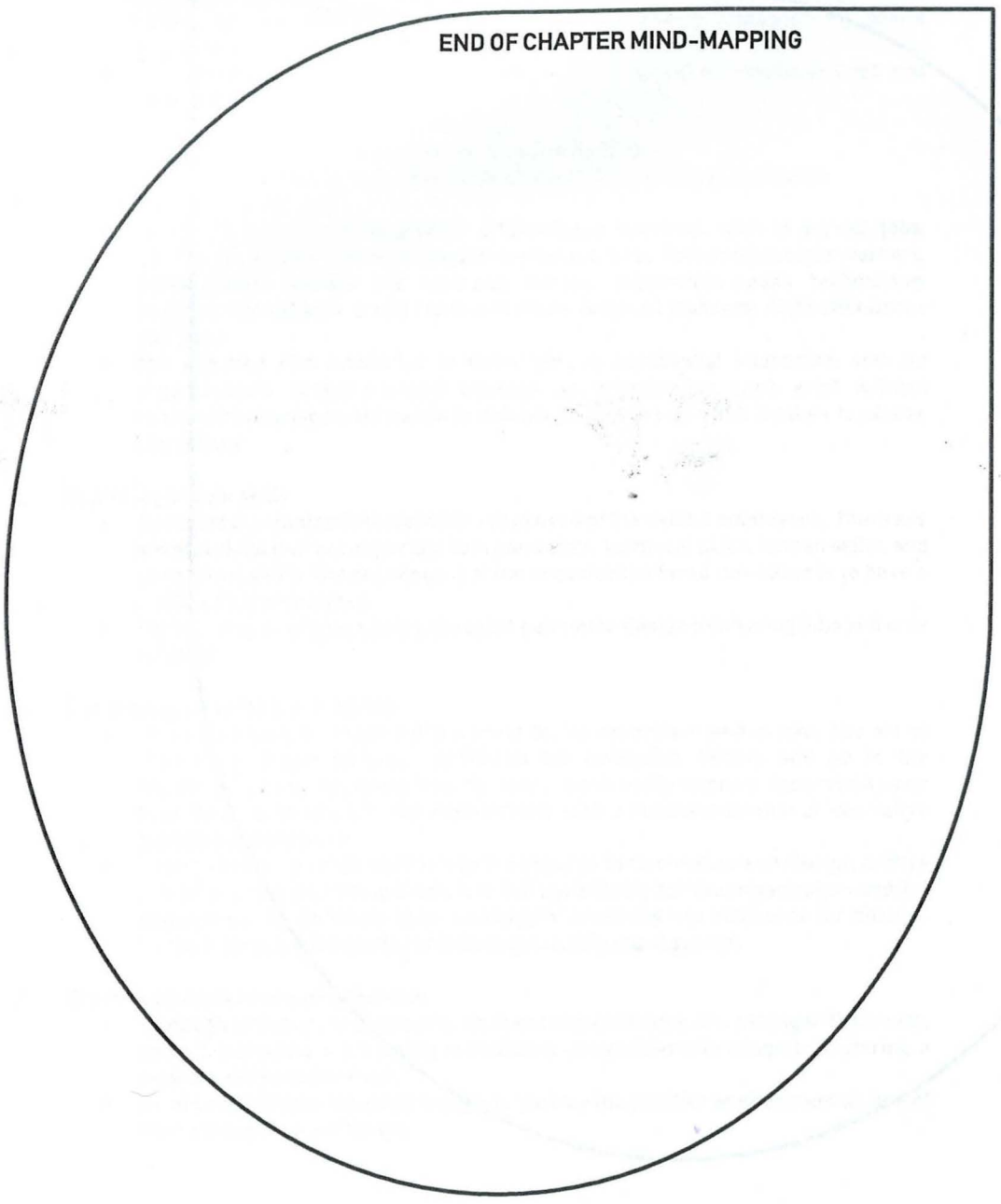
II. Improving customer service
- Today, the majority of employees in developed countries work in service jobs. Service job include technical support representatives, fast-food counter workers, sales clerks, waiters and waitress, nurses, automobile repair technicians, plumber, consultants, credit representatives, financial planners, flight attendance and so on.
- The common characteristics of these jobs is substantial interaction with an organization's customers and because an organization can't exist without customers, management needs to ensure employees do what it takes to please customers.

III. Improving people skills
- Successful organizations were always in need of the skillful employees. There are several skills that are important to organization; technical skills, human skills, and conceptual skills. The challenge that the organization faced nowadays is to have a multiskilling employees.
- Multiskilling employees helps the management to design motivating jobs and cost efficient.

IV. Stimulating innovation and change
- Today's successful organizations must foster innovation and master the art of change, or they'll become candidates for extinction. Victory will go to the organizations that maintain their flexibility, continually improve their quality and beat their competition to the marketplace with a constant stream of innovative products and services.
- An organization's employees can be the impetus for innovation and change, or they can be a major stumbling block. It is the opportunity for the organization and for managers is to stimulate their employees' creativity and tolerance for change. Hence, improving the quality of their organization management.

V. Creating a positive work environment
- Although competitive pressures on most organizations are stronger than ever, some organizations are trying to realize a competitive advantage by fostering a positive work environment.
- Its opportunities to the organization to portray the positive environment as one of their competitive advantage.

END OF CHAPTER MIND-MAPPING


END OF CHAPTER MIND-MAPPING

Chapter 2

ATTITUDES AND JOB SATISFACTION

2.0 Introduction
2.1 Employee attitudes
  2.1.1 What is employee attitudes
  2.1.2 The components of attitudes
  2.1.3 The relationship between attitudes and behavior
    a. Consistency in attitudes
    b. Cognitive dissonance
  2.1.4 Major job attitudes
    a. Job satisfaction
    b. Job involvement
    c. Organizational commitment
  2.1.5 Measurement of attitudes

2.2 Job satisfaction
  2.2.1 The concept of job satisfaction
  2.2.2 Causes of job satisfaction
  2.2.3 The impact of satisfied and dissatisfied employee at workplace.

LEARNING OBJECTIVE

After studying this chapter, you should be able to:

1. Define attitude and its components.
2. Explain the relationship between attitudes and behavior
3. Define job satisfaction and its causes
4. Explain the impact of satisfied and dissatisfied employee in the workplace.

2.0 INTRODUCTION

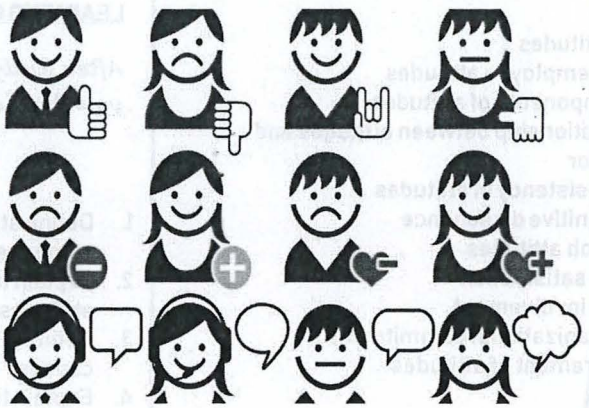
How satisfied are you with the job you are doing? Have you put all your efforts into achieving organizational goals? There are many other questions that always hover in the mind of an employee. An employee's attitude can influence the outcome of their work; to what extent is this statement true?

2.1 EMPLOYEE ATTITUDES

2..1.1 DEFINTION OF EMPLOYEE ATTITUDES

Attitudes are evaluative statements, either favorable or unfavorable, about objects, people, or events. They reflect how we feel about something. When I say "I like my job," I am expressing my attitude about work.

Anyone who has ever had a 2-year old fully understands the 'terrible twos' and the attitude a 2-year old can give you. While that person might be pint-sized, his attitude during the terrible twos can be over ten feet tall and bulletproof.



Now, not all attitudes are as intense as our little 2-year old, but they are indeed present in every person, and they are part of who we are. Our attitudes are shaped by our experiences, and as we experience more, our attitudes can change. You see, **attitudes** are a way of thinking, and they shape how we relate to the world both in work and outside of work.

2.1.2 THE MAIN COMPONENT OF ATTITUDES

Typically, researchers have assumed that attitudes have three components: cognition, affect, and behavior. The statement "My pay is low" is the **cognitive component** of an attitude, a description of or belief in the way things are. It sets the stage for the more critical part of an attitude, its **affective component**. Affect is the emotional or feeling segment of an attitude and is reflected in the statement "I am angry over how little I'm paid." Finally, affect can lead to behavioral outcomes. The **behavioral component** of an attitude describes an intention to behave in a certain way toward someone or something—to continue the example, "I'm going to look for another job that pays better."

Viewing attitudes as having three components—cognition, affect, and behavior—is helpful in understanding their complexity and the potential

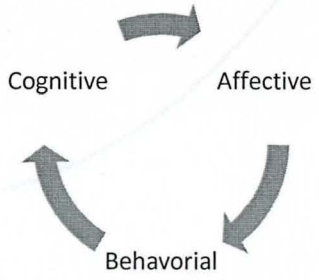


Figure 2.1 Components of Attitudes

Attitudes structure can be described in terms of three components.

i. **Affective component**: this involves a person's feelings / emotions about the attitude object. For example: "I am scared of spiders".

ii. **Behavioral** (or conative) component: the way the attitude we have influences how we act or behave. For example: "I will avoid spiders and scream if I see one".

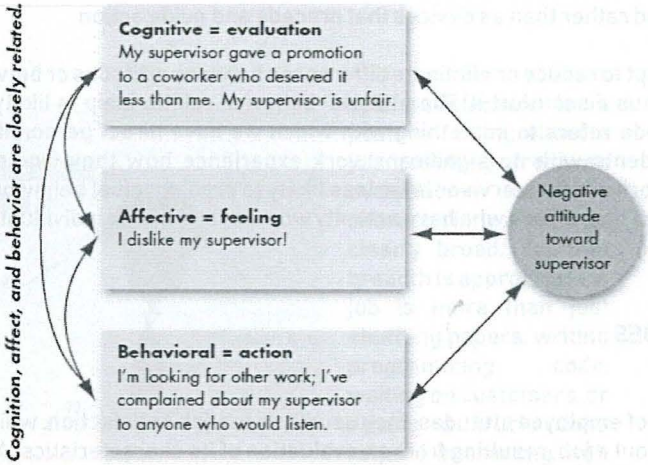


Illustration 2.1 Example of attitudes component

iii. **Cognitive** component: this involves a person's belief / knowledge about an attitude object. For example: "I believe spiders are dangerous".

2.1.3 THE RELATIONSHIP BETWEEN ATTITUDES AND BEHAVIOR

A. CONSISTENCY IN ATTITUDES

People seek consistency among their attitudes and between their attitudes and their behavior. When there is inconsistency, the individual may alter either the attitudes or behavior, or develop a rationalization for the discrepancy. Attitudes may change to fit circumstances

B. COGNITIVE DISSONANCE THEORY

Cognitive Dissonance theory refers to any incompatibility between two or more attitudes or between behavior and attitudes. Research has generally concluded that people do seek consistency among their attitudes and between their attitudes and their behavior. They either alter the attitudes or the behavior, or they develop a rationalization for the discrepancy.

Self-Perception Theory
Attitudes are used after the fact to make sense out of an action that has already occurred.
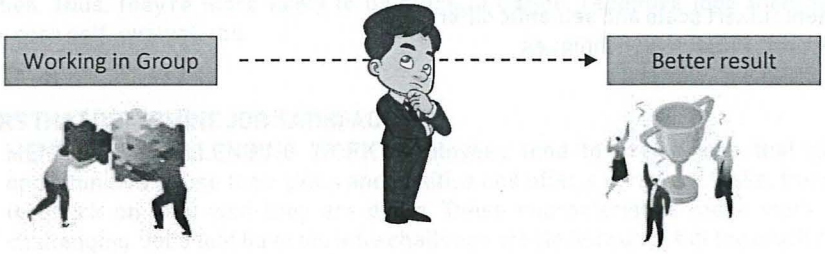


Illustration 2.2 Self-perception

Self-perception argues that attitudes are used after the fact to make sense out an action that has already occurred rather than as devices that precede and guide action

Individual will attempt to reduce or eliminate differences between attitudes or between attitude and behavior and thus discomfort it. The attitude-behavior relationship is likely to be much stronger if an attitude refers to something with which we have direct personal experience. Asking college students with no significant work experience how they would respond to working for an authoritarian supervisor is far less likely to predict actual behavior than asking that same question of employees who have actually worked for such an individual.

2.1.4 JOB ATTITUDES

Job Satisfaction

When people speak of employee attitudes, they usually mean **job satisfaction**, which describes a positive feeling about a job, resulting from an evaluation of its characteristics. A person with a high level of job satisfaction holds positive feelings about his or her job, while a person with a low level holds negative feelings. Because OB researchers give job satisfaction high importance, we'll review this attitude in detail later in the chapter.

Job Involvement

Related to job satisfaction is **job involvement**, which measures the degree to which people identify psychologically with their job and consider their perceived performance level important to self-worth. Employees with a high level of job involvement strongly identify with and really care about the kind of work they do. Another closely related concept is **psychological empowerment**, employees' beliefs in the degree to which they influence their work environment, their competence, the meaningfulness of their job, and their perceived autonomy.

Organizational Commitment

In **organizational commitment**, an employee identifies with a particular organization and its goals and wishes to remain a member. A positive relationship appears to exist between organizational commitment and job productivity, but it is a modest one. Employees who are committed will be less likely to engage in work withdrawal even if they are dissatisfied, because they have a sense of organizational loyalty. On the other hand, employees who are not committed, who feel less loyal to the organization, will tend to show lower levels of attendance at work across the board.

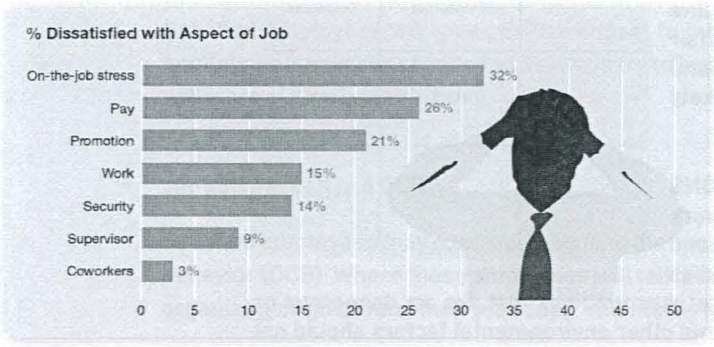
2.1.5 MEASUREMENT OF ATTITUDE

The measurement usually implies measurement of the 'C' component in the ABC model. The easiest way of measuring attitudes is to slot them as favorable or unfavorable. The more complicated procedures involve measuring the degree of favorableness or unfavorableness. There are a few techniques of attitude measurement.

- Direct measurement : Likert scale and semantic differential
- Indirect measurement : Projective techniques

2.2 JOB SATISFACTION

2.2.1 DEFINITION



Source: L. Saad, "On-the-Job Stress Is U.S. Workers' Biggest Complaint," *Gallup Poll* (August 30, 2010), www.gallup.com/.

Job satisfaction is a positive feeling about a job resulting from an evaluation of its characteristics, is clearly broad. Yet that breadth is appropriate. A job is more than just shuffling papers, writing programming code, waiting on customers, or driving a truck. Jobs require interacting with co-workers and bosses, following organizational rules and policies, meeting performance standards, living with less than ideal working conditions, and the like.

APPROACH TO MEASURE JOB SATISFACTION

The single global rating is a response to one question, such as "All things considered, how satisfied are you with your job?" Respondents circle a number between 1 and 5 on a scale from "highly satisfied" to "highly dissatisfied."

The second method, the summation of job facets, is more sophisticated. It identifies key elements in a job such as the nature of the work, supervision, present pay, promotion opportunities, and relationships with co-workers. Respondents rate these on a standardized scale, and researchers add the ratings to create an overall job satisfaction score.

2.2.2 CAUSES OF JOB SATISFACTION

Money does motivate people. However, what motivates us not necessarily the same as what makes us happy.

Job satisfaction is not just about job conditions. Personality also plays a role. Research has shown that people who have positive **core self-evaluations** —who believe in their inner worth and basic competence—are more satisfied with their jobs than those with negative core self-evaluations. Not only do they see their work as more fulfilling and challenging, they are more likely to gravitate toward challenging jobs in the first place. Those with negative core self-evaluations set less ambitious goals and are more likely to give up when confronting difficulties. Thus, they're more likely to be stuck in boring, repetitive jobs than those with positive core self-evaluations.

FACTORS THAT DETERMINE JOB SATISFACTION

i. **MENTALLY CHALLENGING WORK** Employees tend to prefer jobs that give them opportunities to use their skills and abilities and offer a variety of tasks, freedom, and feedback on how well they are doing. These characteristics make work mentally challenging. Jobs that have too little challenge create boredom, but too much challenge

creates frustration and feelings of failure. Under conditions of moderate challenge, most employees will experience pleasure and satisfaction.

ii. **EQUITABLE REWARDS** Employees want pay systems and promotion policies that they perceive as being just, unambiguous, and in line with their expectations. When pay is seen as fair based on job demands, individual skill level, and community pay standards, satisfaction is likely to result.

	Constructive	Destructive
Active	VOICE	EXIT
Passive	LOYALTY	NEGLECT

iii. **SUPPORTIVE WORKING CONDITIONS** Employees are concerned with their work environment for both personal comfort and facilitating doing a good job. Studies demonstrate that employees prefer physical surroundings that are not dangerous or uncomfortable. Temperature, light, noise, and other environmental factors should not be at either extreme—for example, having too much heat or too little light. Additionally, most employees prefer working relatively close to home, in clean and relatively modern facilities, and with adequate tools and equipment.

iv. **SUPPORTIVE COLLEAGUES** People get more out of work than merely money or tangible achievements. For most employees, work also fills the need for social interaction. Not surprisingly, therefore, having friendly and supportive co-workers leads to increased job satisfaction. The behaviour of one's boss also is a major determinant of satisfaction. Studies generally find that employee satisfaction is increased when the immediate supervisor is understanding and friendly, offers praise for good performance, listens to employees' opinions, and shows a personal interest in them.

v. **THE PERSONALITY– JOB FIT** People with personality types congruent with their chosen vocations should find that they have the right talents and abilities to meet the demands of their jobs. Thus, they are more likely to be successful on those jobs and, because of this success, have a greater probability of achieving high satisfaction from their work.

2.2.3 THE IMPACT OF SATISFIED AND DISSATISFIED EMPLOYEES ON THE WORKPLACE

CONSEQUENCES OF DISSATISFIED EMPLOYESS

a. **Exit.** The **exit** response directs behavior toward leaving the organization, including looking for a new position as well as resigning.
b. **Voice.** The **voice** response includes actively and constructively attempting to improve conditions, including suggesting improvements, discussing problems with superiors, and undertaking some forms of union activity.
c. **Loyalty.** The **loyalty** response means passively but optimistically waiting for conditions to improve, including speaking up for the organization in the face of external criticism and trusting the organization and its management to "do the right thing."
d. **Neglect.** The **neglect** response passively allows conditions to worsen and includes chronic absenteeism or lateness, reduced effort, and increased error rate.

CONSEQUENCES OF SATISFIED EMPLOYEES

- **Job satisfaction and performance**

  Satisfied employees will give positive impact to their job performance. Those employees who were satisfied will always try to improve the performance that will increase their productivity.

- **Job satisfaction and OCB**

  Satisfied employees may positively relate to the organizational citizenship behavior (OCB). Where those employees will talk positively about the organization, go beyond their job scope, voluntarily helps others.

- **Job satisfaction and Customer Satisfaction**

  Satisfied employees will give positive impact to their performance. This also applied to those employees who are dealing with customers. Employees, who are in service or front line, should be concerned with pleasing those customers. Satisfied employees increase satisfaction and loyalty.

- **Job satisfaction and Absenteeism**

  If dissatisfied employees are more likely to miss work, those satisfied employees are much likely to have low rate of absenteeism. Employees who satisfied with their job might feel the responsibilities to go to work compared to the dissatisfied employees.

- **Job satisfaction and Turnover**

  When dissatisfied employees are more likely to quit or to leave the job, satisfied employees are likely to stay with the company much longer and may have positive perception towards the organization.

- **Job satisfaction and Workplace Deviant**

  Job dissatisfaction and antagonistic relationships with co-workers predict a variety of behaviors organizations find undesirable, including unionization attempts, substance abuse, stealing at work, undue socializing, and tardiness.

END OF CHAPTER MIND-MAPPING

Chapter 3

PERSONALITY AND VALUES

3.0 Introduction
3.1 Employee personality
  3.1.1 What is employee personality
  3.1.2 Personality determinants
  3.1.3 Instruments used to classify individuals' personality
    a. The Myer-Briggs Type indicator
    b. The Big Five Model
3.2 Values in organization
  3.2.1 What is values in organization
  3.2.2 The importance of value
  3.2.3 Types of values
    a. Terminal values
    b. Instrumental values
3.3 The relationship of an individual's personality and values to the workplace.

LEARNING OBJECTIVE

After studying this chapter, you should be able to:

1. Define personality and values.
2. Identify personality determinants and the importance of values.
3. Describe the instruments to classify individual personality.
4. Distinguish the types of value.

3.0 INTRODUCTION

Our personality shapes our behavior, so if we want to better understand the behaviour of someone in an organization, it helps if we know something about his or her personality. In the first half of this chapter, we review the research on personality and its relationship to behavior. In the latter half, we look at how values shape many of our work-related behaviors.



Why are some people quiet and passive, whereas others are loud and aggressive? Are certain personality types better adapted for certain job types? Before we can answer these questions, we must address a more basic one: What is personality?

3.1 DEMONSTRATE EMPLOYEE PERSONALITY

3.1.1 Employee personality

Personality can be thought of as the sum total of ways in which an individual reacts to and interacts with others. It is most often described in terms of measurable traits that a person exhibits.

The early research on the structure of personality revolved around attempts to identify and label enduring characteristics that describe an individual's behavior. Popular characteristics include shy, aggressive, submissive, lazy, ambitious, loyal, and timid. Those characteristics, when they're exhibited in a large number of situations, are called **personality traits**.

3.1.2 PERSONALITY DETERMINANTS

I. Brain
   - The brain is one of the most important factors determining personality.
   - How an individual thinks and reacts are usually aligned.
   - Thus it is easier for the management to identify how their workers react when given different tasks in different situations by recognizing what their reactions will be when given similar tasks and situations.

II. Physical factors
   - Physical factors may involve the height of a person, colour, health status and beauty will influence the personality on an individuals.

- This factor is commonly believed to play a vital role in determining one's behavior in any organization.
- It is a contributing factors whereby it leads an individual to grow in confidence and capabilities when communicating or dealing with other people.

III. Social factors
- The things that evolve and revolve around us on a regular basis determine our personality and these include the society that we live in; the cultural environment that we face daily, the community we interact in –all are included in this factor
- Relationships, co-ordination, co-operation, interaction, environment in the family, organizations, workplaces, communities, societies all contribute in one way or another as personality determinants.

IV. Cultural and religious factors
- The culture in which an individual lives is also important determinants of personality, and may involve traditional practices; norms, customs, procedures, rules and regulation, precedents and value.

V. Heredity factors
- Heredity refers to factors that we determined during conception such as gender, temperament, biological, energy level, and physical stature that are influenced by who the parents were-their biological, physiological and inherent psychological make up.
- Research supports that traits such as shyness, fear and distress are most likely caused by inherited genetic characteristics.

3.1.3 THE INSTRUMENTS USED TO CLASSIFY INDIVIDUAL'S PERSONALITY

1. Are you outwardly or inwardly focused? If you:

• Could be described as talkative, outgoing • Like to be in a fast-paced environment • Tend to work out ideas with others, think out loud • Enjoy being the center of attention	• Could be described as reserved, private • Prefer a slower pace with time for contemplation • Tend to think things through inside your head • Would rather observe than be the center of attention
then you prefer	then you prefer
E Extraversion	**I** Introversion

2. How do you prefer to take in information? If you:

• Focus on the reality of how things are • Pay attention to concrete facts and details • Prefer ideas that have practical applications • Like to describe things in a specific, literal way	• Imagine the possibilities of how things could be • Notice the big picture, see how everything connects • Enjoy ideas and concepts for their own sake • Like to describe things in a figurative, poetic way
then you prefer	then you prefer
S Sensing	**N** Intuition

3. How do you prefer to make decisions? If you:

• Make decisions in an impersonal way, using logical reasoning • Value justice, fairness • Enjoy finding the flaws in an argument • Could be described as reasonable, level-headed	• Base your decisions on personal values and how your actions affect others • Value harmony, forgiveness • Like to please others and point out the best in people • Could be described as warm, empathetic
then you prefer	then you prefer
T Thinking	**F** Feeling

4. How do you prefer to live your outer life? If you:

• Prefer to have matters settled • Think rules and deadlines should be respected • Prefer to have detailed, step-by-step instructions • Make plans, want to know what you're getting into	• Prefer to leave your options open • See rules and deadlines as flexible • Like to improvise and make things up as you go • Are spontaneous, enjoy surprises and new situations
then you prefer	then you prefer
J Judging	**P** Perceiving

A. The Myer-Briggs Type indicator

The **Myers-Briggs Type Indicator (MBTI)** is the most widely used personality-assessment instrument in the world. It's a 100-question personality test that asks people how they usually feel or act in particular situations. On the basis of the answers individuals give to the test questions, they are classified as extroverted or introverted (E or I), sensing or intuitive (S or N), thinking or feeling (T or F), and judging or perceiving (J or P).

These terms are defined as follows:

a. *Extroverted Versus Introverted*—Extroverted individuals are outgoing, sociable, and assertive. Introverts are quiet and shy.
b. *Sensing Versus Intuitive*—Sensing types are practical and prefer routine and order. They focus on details. Intuitivism rely on unconscious processes and look at the big picture.
c. *Thinking Versus Feeling*—Thinking types use reason and logic to handle problems. Feeling types rely on their personal values and emotions.
d. *Judging Versus Perceiving*—Judging types want control and prefer their world to be ordered and structured. Perceiving types are flexible and spontaneous.

These classifications are then combined into 16 personality types. Let's take two examples. INTJs are visionaries. They usually have original minds and great drive for their own ideas and purposes. They are characterized as sceptical, critical, independent, determined, and often stubborn. ESTJs are organizers. They are realistic, logical, analytical, and decisive and have a natural head for business or mechanics. They like to organize and run activities.

ISTJ
Responsible, sincere, analytical, reserved, realistic, systematic. Hardworking and trustworthy with sound practical judgment.

ISFJ
Warm, considerate, gentle, responsible, pragmatic, thorough. Devoted caretakers who enjoy being helpful to others.

INFJ
Idealistic, organized, insightful, dependable, compassionate, gentle. Seek harmony and cooperation, enjoy intellectual stimulation.

INTJ
Innovative, independent, strategic, logical, reserved, insightful. Driven by their own original ideas to achieve improvements.

ISTP
Action-oriented, logical, analytical, spontaneous, reserved, independent. Enjoy adventure, skilled at understanding how mechanical things work.

ISFP
Gentle, sensitive, nurturing, helpful, flexible, realistic. Seek to create a personal environment that is both beautiful and practical.

INFP
Sensitive, creative, idealistic, perceptive, caring, loyal. Value inner harmony and personal growth, focus on dreams and possibilities.

INTP
Intellectual, logical, precise, reserved, flexible, imaginative. Original thinkers who enjoy speculation and creative problem solving.

ESTP
Outgoing, realistic, action-oriented, curious, versatile, spontaneous. Pragmatic problem solvers and skillful negotiators.

ESFP
Playful, enthusiastic, friendly, spontaneous, tactful, flexible. Have strong common sense, enjoy helping people in tangible ways.

ENFP
Enthusiastic, creative, spontaneous, optimistic, supportive, playful. Value inspiration, enjoy starting new projects, see potential in others.

ENTP
Inventive, enthusiastic, strategic, enterprising, inquisitive, versatile. Enjoy new ideas and challenges, value inspiration.

ESTJ
Efficient, outgoing, analytical, systematic, dependable, realistic. Like to run the show and get things done in an orderly fashion.

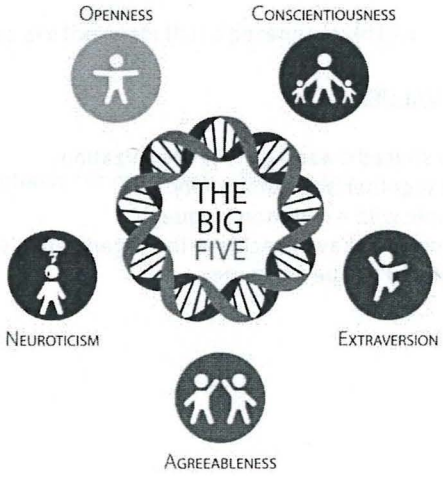
ESFJ
Friendly, outgoing, reliable, conscientious, organized, practical. Seek to be helpful and please others, enjoy being active and productive.

ENFJ
Caring, enthusiastic, idealistic, organized, diplomatic, responsible. Skilled communicators who value connection with people.

ENTJ
Strategic, logical, efficient, outgoing, ambitious, independent. Effective organizers of people and long-range planners.

B. The Big Five Model

The Big Five Model In contrast to the MBTI, the five-factor model of personality— more typically called the *Big Five*—has received strong supporting evidence. An impressive body of research, accumulated in recent years, supports that five basic dimensions underlie all others and encompass most of the significant variation in human personality.



The following are the Big Five factors:

a. *Extroversion*—This dimension captures one's comfort level with relationships. Extroverts tend to be gregarious, assertive, and sociable. Introverts tend to be reserved, timid, and quiet.
b. *Agreeableness*—This dimension refers to an individual's propensity to defer to others. Highly agreeable people are cooperative, warm, and trusting. People who score low on agreeableness are cold, disagreeable, and antagonistic.
c. *Conscientiousness*—This dimension is a measure of reliability. A highly conscientious person is responsible, organized, dependable, and persistent. Those who score low on this dimension are easily distracted, disorganized, and unreliable.
d. *Emotional stability* (often labeled by its converse, *neuroticism*)—This dimension taps a person's ability to withstand stress. People with positive emotional stability tend to be calm, self-confident, and secure. Those with high negative scores tend to be nervous, anxious, depressed, and insecure.
e. *Openness to experience*—This dimension addresses one's range of interests and fascination with novelty. Extremely open people are creative, curious, and artistically sensitive.

Those at the other end of the openness category are conventional and find comfort in the familiar.

3.2 VALUES IN ORGANIZATION

3.2.1 DEFINITION

Values represent basic, enduring convictions that "a specific mode of conduct or end-state of existence is personally or socially preferable to an opposite or converse mode of conduct or end-state of existence." Values involve judgment because they represent an individual's ideas about what is right, good, or desirable. All of us have a hierarchy of values that form our value system. This system is identified by the relative importance we assign to values such as freedom, pleasure, self-respect, honesty, obedience, and equality.

We can evaluate values in relation to two attributes:

1. The *content attribute,* which says that a mode of conduct or end-state of existence is *important.*
2. The *intensity attribute,* which specifies *how important* it is. When we rank an individual's values in terms of their intensity, we obtain that person's **value system**.

3.2.2 IMPORTANCE OF VALUES

a. Contribute to shared meaning in the organization.
b. Binds people together as a community.
c. Provides people with a common language.
d. Tell people how to behave to achieve the organization's vision.
e. Contribute vitality and performance.

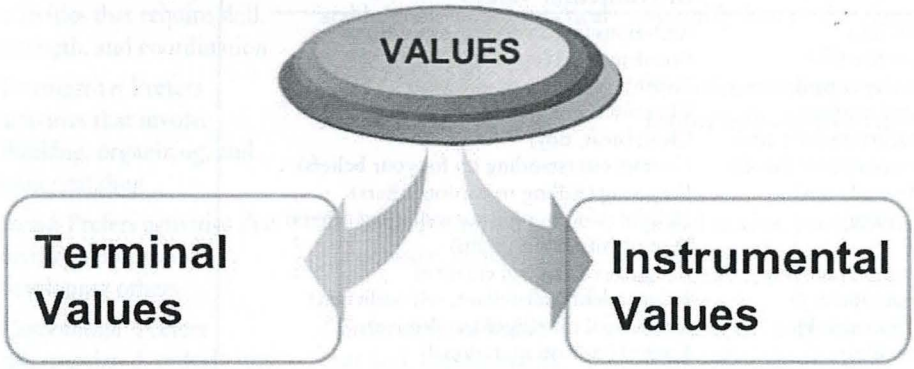
1. Values lay the foundation for the understanding of attitudes and motivation because they influence our perceptions.

2. Individuals enter organizations with notions of what is right and wrong with which they interpret behaviors or outcomes

3. Values generally influence attitudes and behavior.

3.2.3 TYPES OF VALUES

Rokeach Value Survey...



A. Terminal values

Terminal values, refers to desirable end-states. These are the goals that a person would like to achieve during his or her lifetime.

B. Instrumental values

Instrumental values, refers to preferable modes of behavior or means of achieving the terminal values.

Terminal Values	Instrumental Values
A world of beauty	Broad minded
An exciting life	Clean
Family security	Forgiving
Inner harmony	Imaginative
Self respect	Obedient

Terminal Values	Instrumental Values
A comfortable life (a prosperous life)	Ambitious (hardworking, aspiring)
An exciting life (a stimulating, active life)	Broad-minded (open-minded)
A sense of accomplishment (lasting contribution)	Capable (competent, efficient)
A world at peace (free of war and conflict)	Cheerful (lighthearted, joyful)
A world of beauty (beauty of nature and the arts)	Clean (neat, tidy)
Equality (brotherhood, equal opportunity for all)	Courageous (standing up for your beliefs)
Family security (taking care of loved ones)	Forgiving (willing to pardon others)
Freedom (independence, free choice)	Helpful (working for the welfare of others)
Happiness (contentedness)	Honest (sincere, truthful)
Inner harmony (freedom from inner conflict)	Imaginative (daring, creative)
Mature love (sexual and spiritual intimacy)	Independent (self-reliant, self-sufficient)
National security (protection from attack)	Intellectual (intelligent, reflective)
Pleasure (an enjoyable, leisurely life)	Logical (consistent, rational)
Salvation (saved, eternal life)	Loving (affectionate, tender)
Self-respect (self-esteem)	Obedient (dutiful, respectful)
Social recognition (respect, admiration)	Polite (courteous, well-mannered)
True friendship (close companionship)	Responsible (dependable, reliable)
Wisdom (a mature understanding of life)	Self-controlled (restrained, self-disciplined)

3.3 THE RELATIONSHIP OF AN INDIVIDUAL'S PERSONALITY AND VALUES TO THE WORKPLACE

Because managers today are less interested in an applicant's ability to perform a *specific* job than with the *flexibility* to meet changing situations and commitment to the organization, in recent year's managers have become interested in determining how well an employee's personality *and* values match the *organization*.

Person–Job Fit

Matching job requirements with personality characteristics is best articulated in John Holland's **personality–job fit theory**. The theory is based on the notion of fit between an individual's personality characteristics and the job. Holland presents six personality types and proposes that satisfaction and the propensity to leave a position depend on the degree to which individuals successfully match their personalities to a job. Each one of the six personality types has a congruent occupation. The six types and their personality characteristics and gives examples of congruent occupations.

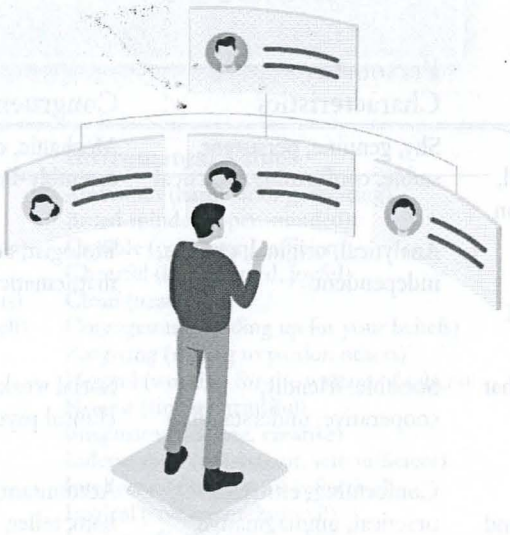
Type	Personality Characteristics	Congruent Occupations
Realistic: Prefers physical activities that require skill, strength, and coordination	Shy, genuine, persistent, stable, conforming, practical	Mechanic, drill press operator, assembly-line worker, farmer
Investigative: Prefers activities that involve thinking, organizing, and understanding	Analytical, original, curious, independent	Biologist, economist, mathematician, news reporter
Social: Prefers activities that involve helping and developing others	Sociable, friendly, cooperative, understanding	Social worker, teacher, counselor, clinical psychologist
Conventional: Prefers rule-regulated, orderly, and unambiguous activities	Conforming, efficient, practical, unimaginative, inflexible	Accountant, corporate manager, bank teller, file clerk
Enterprising: Prefers verbal activities in which there are opportunities to influence others and attain power	Self-confident, ambitious, energetic, domineering	Lawyer, real estate agent, public relations specialist, small business manager
Artistic: Prefers ambiguity and activities that allow creative expression	Imaginative, disorderly, idealistic, emotional, impractical	Painter, musician, writer, interior unsystematic decorator

Person-Organization Fit

Attention in recent years has expanded to include matching people to *organizations* as well as *jobs*. Because organizations face a dynamic and changing environment, they require employees who are able to readily change tasks and move easily between teams, so it's more important that employees' personalities fit with the overall organization's culture than with the characteristics of any specific job.

The person-organization fit essentially argues that people leave organizations that are not compatible with their personalities. Using the Big Five terminology, we could expect that the following:

- People high on extroversion fit better with aggressive and team-oriented cultures.
- People high on agreeableness match up better with a supportive organizational climate than one that focuses on aggressiveness.
- People high on openness to experience fit better into organizations that emphasize innovation rather than standardization.



END OF CHAPTER MIND-MAPPING

END OF CHAPTER MIND-MAPPING

Chapter 4

GROUPS, TEAMS AND DECISION MAKING IN ORGANIZATION

4.0 Introduction
4.1 Group in organization
  4.1.1 What is group in organization
  4.1.2 Classification of group
    a. Formal group
    b. Informal group
  4.1.3 Stages of group development in the Five-Stages Model
  4.1.4 Why do people join groups?
4.2 Team in organization
  4.2.1 What is the concept of team in organization
  4.2.2 Types of team
    a. Problem solving teams
    b. Self-managed work teams
    c. Cross functional teams
    d. Virtual teams
  4.2.3 The basis of comparison between groups and teams
    a. Goal
    b. Synergy
    c. Accountability
    d. Skills
4.3 The effectiveness of group decision making
  4.3.1 The basis of effectiveness between group decision making and individual decision making
    a. Accuracy
    b. Speed
    c. Creativity
    d. Degree of acceptance
  4.3.2 Techniques to reduce problems in group decision making
    a. Interacting group
    b. Brainstorming
    c. Nominal group technique
    d. Electronic meeting

LEARNING OBJECTIVE

After studying this chapter, you should be able to:

1. Define group and teams
2. Explain the stages of group development.
3. Describe the types of teams.
4. Describe the differentiation between groups and teams.
5. Explain the differentiation between group and individual decision making.
6. Identify the techniques to reduce problems in group decision making.

4.0 INTRODUCTION

The objective of this chapter is to introduce you to basic group concept, provide you with a foundation for understanding how groups work, and to show you how to create effective teams. Let's begin by defining groups and explaining why people join them.

4.1 GROUP IN ORGANIZATION

4.1.1 WHAT IS GROUP IN ORGANIZATION

A group is defined as two or more individuals, interacting and interdependent, who have come together to achieve particular objectives. Groups can be either formal or informal.

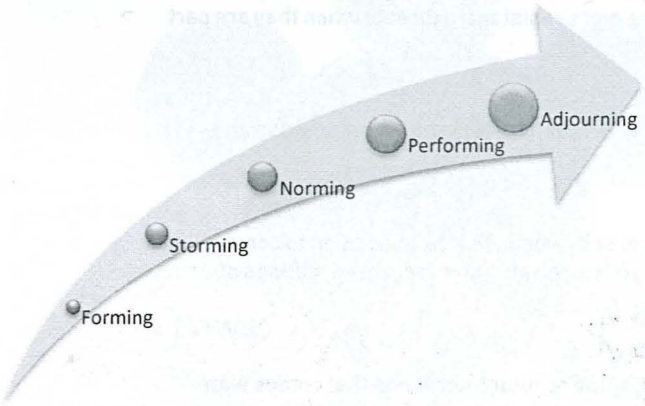


4.1.2 CLASSIFICATION OF GROUP

a. Formal group	It defined by the organization's structure, with designated work assignments establishing tasks. Example: six or seven members making up an airline flight crews.	
	i. Command group	A group composed of the individuals who report directly to a given manager.
	ii. Task group	Those working together to complete a job or task.
b. Informal group	Alliances that are neither formally structured nor organizationally determined. There are natural formations in the work environment that appear in response to the need for social contact. Example: three employees from different department who regularly eat lunch together.	
	i. Interest group	Those working together to attain a specific objective with which each is concerned.
	ii. Friendship group	Those brought together because they share one or more common characteristics.

4.1.3 STAGES OF GROUP DEVELOPMENT IN THE FIVE-STAGES MODEL

Group generally pass through a standardized sequence in their evolution. We call this sequence the five-stage model of group development.



As shown in the above, the Five-stage group development model includes forming, storming, norming, performing and adjourning.

1. **Forming**
   It characterized by much uncertainty about the group's purpose, structure and leadership. Members are 'testing the waters' to determine what types of behavior are acceptable. This stage is complete when members have begun to think of themselves as part of a group.

2. **Storming**
   It characterized by intragroup conflict. Members accept the existence of the group, but there is resistance to the constraints that the group imposes on individuality. Furthermore, there is conflict over who will control the group. When this stage is complete, there will be relatively clear hierarchy of leadership within the group.

3. **Norming**
   It characterized by close relationship and cohesiveness. There is now a strong sense of group solidifies and the group has assimilated a common set of expectations of what defines correct member behavior.

4. **Performing**
   The structure at this point is fully functional and accepted. Group energy has moved from getting to know and understand each other to performing the task at hand.

5. **Adjourning**
   In this stage, the group prepares for its disbandment. High task performance is no longer the group's top priority. Instead, attention is directed toward wrapping up activities. Responses of group members vary in this stage. Other than that, adjournment usually happens to temporary task forces such as committees for an event or project.

4.1.4 Why do people join groups?

a. Security
By joining group, individuals can reduce the insecurity of 'standing alone'. People feel stronger, have fewer self-doubts, and are more resistant to threats when they are part of a group.

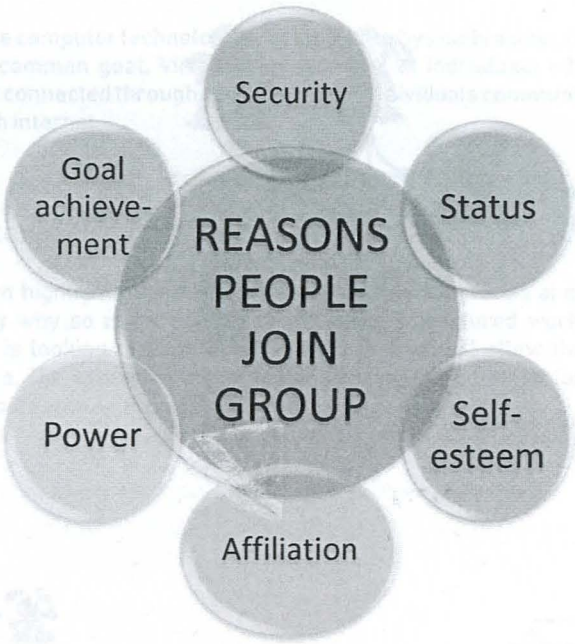
b. Status
Inclusion in a group that is viewed as important by others provides recognition and status for its members.

c. Self-esteem
Groups can provide people with feelings of self-worth. That is, in addition to convey status to those outside the group, membership can also give increased feelings of worth to the group member themselves.

d. Affiliation
Groups can fulfil social needs. People enjoy the regular interaction that comes with group membership. For many people, these on-the job interactions are their primary source for fulfilling their needs for affiliation.

e. Power
What cannot be achieved individually often becomes possible through group action. There is power in numbers.

f. Goal achievement
There are times when it takes more than one person to accomplish a particular task- there is a need to pool talents, knowledge, or power in order to complete a job. In such instances, management will rely on the use of a formal group.

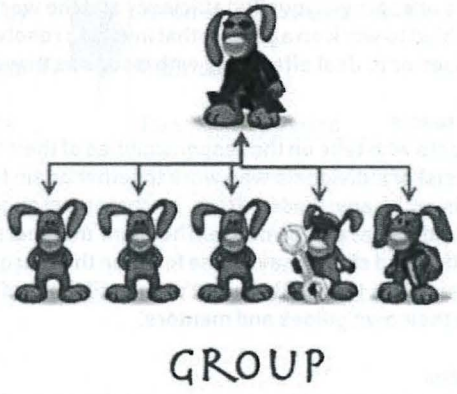


4.2 THE CONCEPT OF TEAM IN ORGANIZATION

4.2.1 THE CONCEPT OF TEAM IN ORGANIZATION

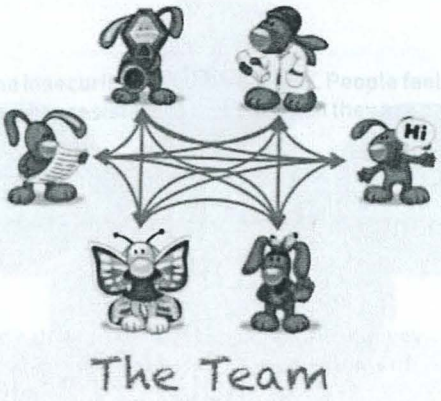
Work Group

A group refer to two or more individuals interacting and independent, who have come together to achieve particular objectives.



Work Team

A team refers to a group whose individual efforts result in a performance that is greater than sum of the individual input.



4.2.2 TYPES OF TEAM

Teams can do a variety of things. They can make products, provide services, negotiate deals, coordinate projects, offer advice, and make decisions. In this section we'll describe the four most common types of teams you're likely to find in an organization:

a. Problem solving teams
Groups of 5 to 12 employees from the same department who meet for a few hours each week to discuss ways of improving quality, efficiency and the work environment. A group of individuals assembled to work on a project that involves resolving one or more issues that have already arisen or to deal effectively with issues as they arise.

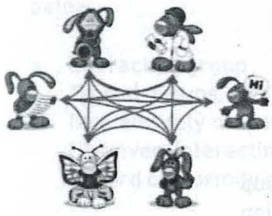
b. Self-managed work teams
Groups of 10 to 15 people who take on the responsibilities of their former supervisors. Self-Managed Teams consist of individuals who work together again for a common purpose but without the supervision of any leader. Here as the name suggests every individual is accountable for his individual performance. The team members of self-managed teams must respect each other and should never lose focus on their target. No leader is appointed, and the team members have to take their own responsibility. Individuals take the initiative on their own and are their own guides and mentors.

c. Cross functional teams
Employees from about the same hierarchical level, but from different work areas, who come together to accomplish a task. Individuals from different areas come and work together for a common objective to form a cross functional team. In such teams, people from different areas, interests and likings join hands to come out with a unique idea to successfully complete a task.

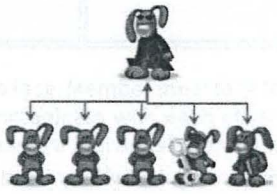
d. Virtual teams
Teams that use computer technology to tie together physically dispersed members in order to achieve a common goal. Virtual teams consist of individuals who are separated by distances and connected through computer. Here individuals communicate with each other online through internet.

4.2.3 THE BASIS OF COMPARISON BETWEEN GROUPS AND TEAMS

The following diagram highlights the differences between work groups and work teams. These definition help clarify why so many organizations have restructured work processes around teams. Management is looking for that positive synergy that will allow their organizations to increase performance. The extensive use of teams creates the potential for an organization to generate greater outputs with no increase in inputs



The Team



GROUP

Collective performance	Goal	Share information
Positive	Synergy	Neutral (sometimes negative)
Individual and mutual	Accountability	Individual
Complementary	Skills	Random and varied

4.3 THE EFFECTIVENESS OF GROUP DECISION MAKING

4.3.1 The basis of effectiveness between group decision making and individual decision making

	GROUP	INDIVIDUAL
a. Accuracy	X	
b. Speed		X
c. Creativity	X	
d. Degree of acceptance	X	
e. Efficiency		X

Decision-making groups may be widely used in organization, but does that imply group decisions are preferable to those made by an individual alone? The answer to this question depends on several factors we consider below:

Strength of Group Decision Making

- ✓ Group generate *more complete information and knowledge*. By aggregating the resources of several individuals, groups bring more input into the decision process.
- ✓ In addition to more input, groups can bring heterogeneity to the decision process. They offer an *increased diversity of views*, and the opportunity to consider more approached and alternatives.
- ✓ The evidence indicates that a group will almost always outperform even the best individual. So, groups generate *higher quality decision*.
- ✓ Groups also lead to increased acceptance of a solution. Many decisions fail after they are made because people do not accept them. Group members who participated in deciding are likely to enthusiastically support the decision and encourage other to accept it.
- ✓ In terms of decision outcomes, group decision tend to be more *accurate*. The evidence also indicates that, on average, groups make *better quality decisions* than individual.
- ✓ Finally, if *creativity* is important, groups tend to be more creative in their decisions that individuals.

Weaknesses of Group Decision Making

- First, they are *time-consuming.* They typically take more item to reach a solution than would be the case if an individual were making the decision alone. Thus, group decisions are not always efficient.
- Second, there are *conformity pressures* in groups. The desire by group members to be accepted and considered an asset to the group can result in squashing any overt disagreement.
- Third, group discussion can be *dominated by one or a few members.* If this dominant coalition is composed of low- and medium-ability members, the group's overall effectiveness will suffer.
- Finally, group decision suffers from *ambiguous responsibility.* In an individual decision, it's clear who is accountable for the outcome. In a group decision, the responsibility of any single member is watered down.

4.3.2 TECHNIQUES TO REDUCE PROBLEMS IN GROUP DECISION MAKING

Groups can use a variety of techniques to stimulate decision making. We outline four of them below.

a. Interacting group
Typical groups, where members interact with each other face to face. Member meet face to face and rely on both verbal and nonverbal interaction to communicate with each other. However, interacting group often censor themselves and pressure individual members toward conformity of opinion.

b. Brainstorming
An idea-generation process that specifically encourage all alternatives, while withholding any criticism of those alternatives. In a typical brainstorming session, 6 to 12 people sit around a table. The group leader states the problem in a clear manner so that all participants understand it and then member 'free-wheel' as many alternatives as they can in given period. No criticism is allowed. All the alternatives as are recorded for later discussion.

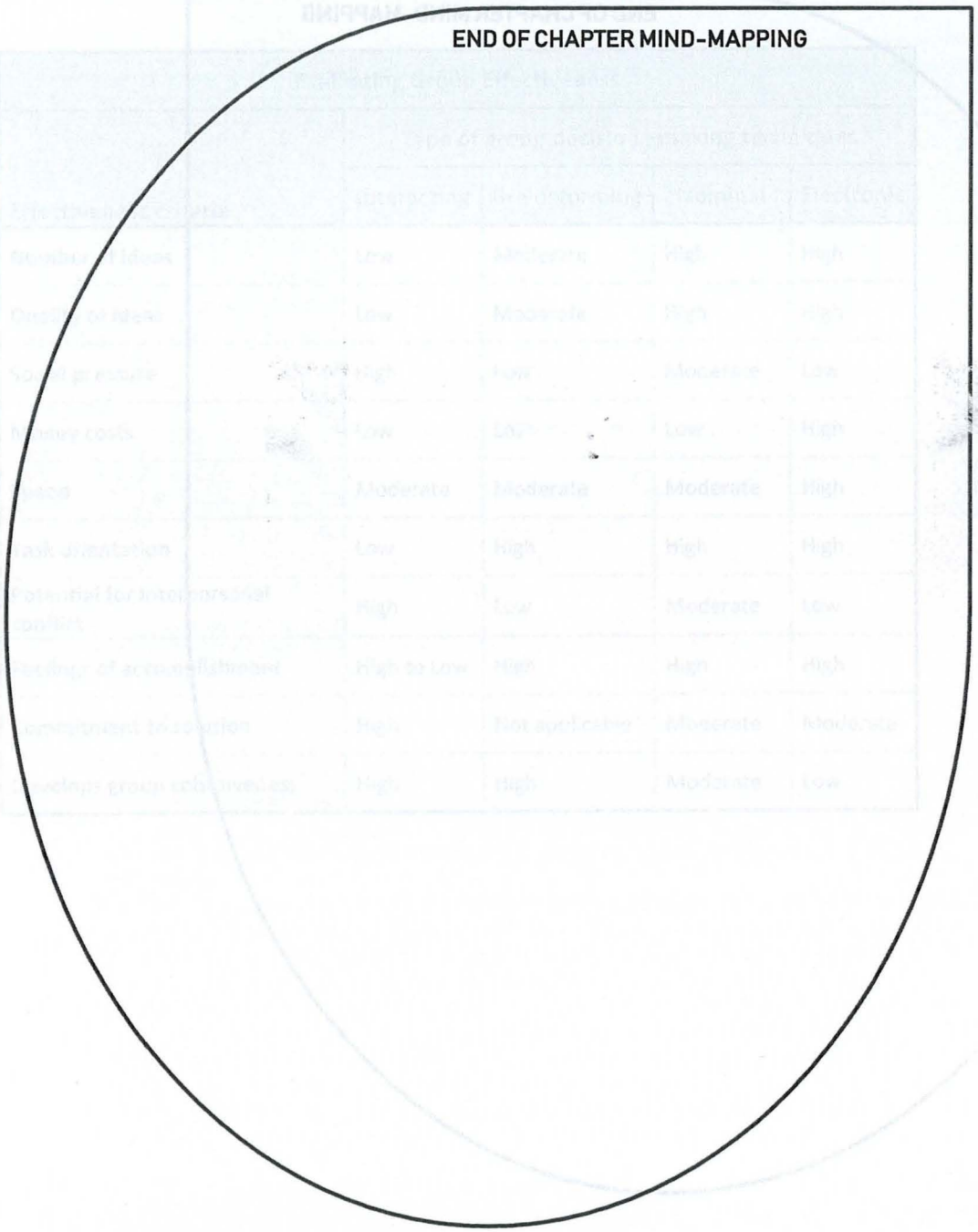
c. Nominal group technique
A group decision-making method in which individual members meet face to face to pool their judgment in a systematic but independent fashion. Group member are all physically present, as in a traditional committee meeting, but members operate independently.

d. Electronic meeting
A meeting where members interact on computer, allowing for anonymity of comments and aggregation of votes. It's called the computer-assisted group. Up to 50 people sit around a horseshoe-shaped table, which is empty except for a series of computer terminals. Issues are presented to participants and they type their responses onto their computer. Individual comments, as well as aggregate votes, are displayed on a projection screen in the room.

Evaluating Group Effectiveness				
	Type of group decision –making techniques			
Effectiveness criteria	Interacting	Brainstorming	Nominal	Electronic
Number of ideas	Low	Moderate	High	High
Quality of ideas	Low	Moderate	High	High
Social pressure	High	Low	Moderate	Low
Money costs	Low	Low	Low	High
Speed	Moderate	Moderate	Moderate	High
Task orientation	Low	High	High	High
Potential for interpersonal conflict	High	Low	Moderate	Low
Feelings of accomplishment	High to Low	High	High	High
Commitment to solution	High	Not applicable	Moderate	Moderate
Develops group cohesiveness	High	High	Moderate	Low

END OF CHAPTER MIND-MAPPING




END OF CHAPTER MIND-MAPPING

Chapter 5

POWER AND POLITICS

5.0 Introduction
5.1 The concepts of power in organizations
  5.1.1 The concept of power in organization
  5.1.2 Five bases of power
  5.1.3 Roles of dependency
  5.1.4 Nine power or influence tactics and their contingencies
5.2 The concept of organizational politics
  5.2.1 The concept of organizational politics
  5.2.2 The classification of political behavior
    a. Legitimate political behavior
    b. Illegitimate political behavior
  5.2.3 The causes and consequences of political behavior
    a. Individual factors
    b. Organizational factors

LEARNING OBJECTIVE

After studying this chapter, you should be able to:

1. Define power and political behavior.
2. Explain the five bases of power.
3. Identify nine power of influence tactic.
4. Identify the classification of political behavior.
5. Identify the causes and consequences of political behavior.

5.0 INTRODUCTION

Power is the capacity to influence others. Influence refers to any behavior that attempts to alter someone's attitudes or behavior.

5.1 THE CONCEPTS OF POWER IN ORGANIZATIONS

What is power? Many people understand what power is and many love the effects of having it.

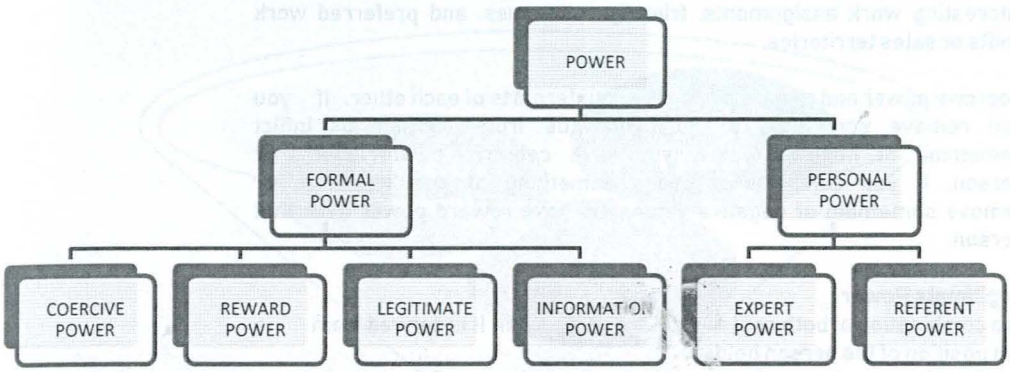
5.1.1 DEFINE THE CONCEPT OF POWER IN ORGANIZATION

Power is the ability of one person to influence another to act in accordance with his wishes. It is also can be define as a person who has the ability to influence the behavior of B to instruct and wishes B to do.

Influence	• the person with power influences other people
Dependency	• the more people depend on you, th emore power you have on them and the level of dependency is based on what the alternatives available are and the level of importance a person has.

5.1.2 FIVE BASES OF POWER

Power is divided into two general groupings, namely formal power and personal power.



There are four categories of formal power: coercive power, reward power, legitimate power and information power. These five bases of power are often called the **French and Raven Bases of Power**.

5.1.2.1 Formal Power / Position-based Power

Formal power is based on an individual's position in an organization. With the power entrusted to him, he is able to get things done.
There are four categories of formal power:

i. Coercive Power

One reacts to this power base out of fear of the negative results that might occur if one fails to comply. It also can be defined as power that is based on fear.

At the organizational level, A has coercive power over B if A can dismiss, suspend, or demote B, if B values his or her job. Similarly, if A can assign B work activities that B finds unpleasant or treat B in a manner that B finds embarrassing, A possesses coercive power over B.

Coercive power also can come from withholding key information. People in an organization who have data or knowledge that others need can make those others dependent on them.

ii. Reward power

Reward power is the power that achieves compliance based on the ability to distribute rewards that others view as valuable. This means that this power is the opposite of coercive power.

People comply with the wishes or directives of another because doing so produces positive benefits; therefore, one who can distribute rewards that others view as valuable will have power over those others. These rewards can be either financial; such as controlling pay rates, raises, and bonuses; or nonfinancial- including recognition, promotions, interesting work assignments, friendly colleagues, and preferred work shifts or sales territories.

Coercive power and reward power are counterparts of each other. If you can remove something of positive value from another or inflict something of negative value, you have coercive power over that person. If you can give someone something of positive value or remove something of negative value, you have reward power over that person.

iii. Legitimate Power

Is a combination of both coercive and reward power. It is derived from the position of the person holds.

Legitimate power is broader than the power to coerce and reward. Specifically, it includes acceptance by members in an organization of the authority of a position. For example, when school principals, bank presidents or army captains speak (assuming that their directives are viewed to be within the authority of their positions), teachers, tellers and first lieutenants listen and usually comply.

iv. Information Power

Information power is when a person has access to key information in the organization. Under information power, the person is in power as he or she controls the flow of information to others.

An example of having information power is being the treasurer or the financial controller of an organization. In these positions, only he or she has the exact financial figures of the organization, which no one else has.

Even the CEO of the organization would need to rely on the treasurer for the amount which the organization has before he or she can plan the organization's goals for the year.

5.1.2.2 Personal Power / Person-based Power

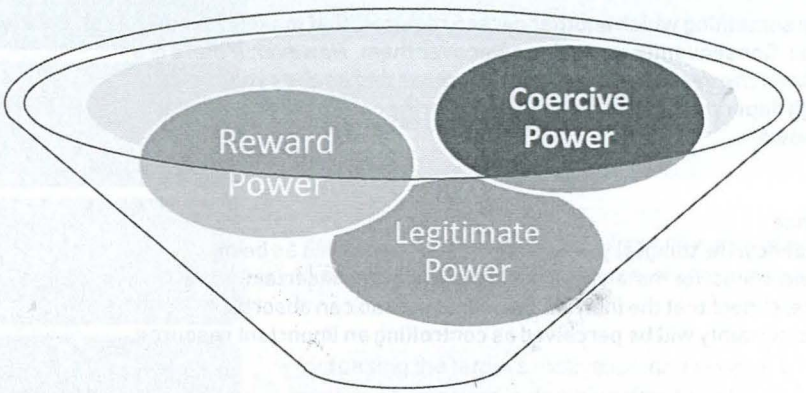
Personal power is when a person exercises power derived from their unique individual characteristics. There are two categories of personal power:

i. Expert Power

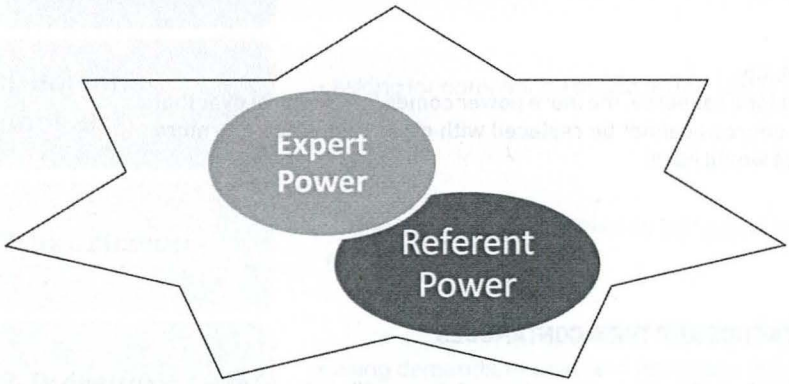
Expert power is influence wielded as a result of expertise, special skill, or knowledge. Expertise has become one of the most powerful sources of influence as the world has become more technologically oriented.

ii. Referent Power

Referent power is based on identification with a person who has desirable resources or personal traits. A person who are doing good thing just to please the person who have this kind of power.



Formal Power



Personal / Informal Power

5.1.3 ROLES OF DEPENDENCY IN POWER RELATIONSHIP

Dependency is increased when the resource you control is important, scarce, and no substitutable.

Example: When you own something which another person requires, that makes the other person dependent on you. Consequently, you gain power over them. *However, if there is a substitute to what you have, the dependency will then decrease and so does your power.* To ensure power through dependency is by creating and offering options to ensure that you would not loss the power.

i. Importance

To create dependency, the thing(s) you control must be perceived as being important. Organizations, for instance, actively seek to avoid uncertainty. We should, therefore, expect that the individuals or groups who can absorb an organization's uncertainty will be perceived as controlling an important resource.

ii. Scarcity

If something is plentiful, possession of it will not increase your power. A resource must be perceived as scarce to create dependency.

Scarcity can help explain how low-ranking employees in an organization who have important knowledge not available to high-ranking members gain power over the high-ranking members.

iii. No substitutability

The fewer substitutes for a resource, the more power comes from control over that resource. When one sources cannot be replaced with other resources, the more power that one source would have.

5.1.4 NINE POWER OR INFLUENCE TACTICS AND THEIR CONTANGOES

Power tactics are ways by which individuals translate power bases into specific actions. It is basically how individuals influence other people to do things they want them to do.

In this section, we review popular tactical options and the conditions under which one may be more effective than another.

Research has identified nine distinct influence tactics managers and employees use to increase their power:

1. Legitimacy tactics	•relying on one's authority position or stressing that request is in accordance with organizational policies or rules.
2. Rational persuasion	• presenting logical arguments and factual evidence to demonstrate that a request is reasonable.
3. Inspirational appeals	• developing emotional commitment by appealing to a target's values, needs, hopes, and aspirations.
4. Consultation	• increasing the target's motivation and support by involving him or her in deciding how the plan or change will be done.
5. Exchange	• rewarding the target with benefits or favours in exchange for following a request.
6. Personal appeals	• asking for compliance based on friendship or loyalty.
7. Ingratiation	• using flattery, praise, or friendly behaviour prior to making a request.
8. Pressure	• using demands, threats, and reminders to get someone to do something.
9. Coalition tactics	• enlisting the aid of other people to persuade the target or using the support of others as a reason for the target to agree.

5.2 THE CONCEPT OF ORGANIZATIONAL POLITICS

5.2.1 THE CONCEPT OF ORGANIZATIONAL POLITICS

In any organization, there is always competition among the employees. When employees are in group, there is an individual who is going to practice power to influence others in the group, there is an individual who is going to practice power to influence others in the group.

Political behavior is defined as a set of behaviors which are not one's formal role in the organization, but these influence or attempt to influence any distribution activity in the organization. It is also defined as activities that influence, or attempt to influence, the distribution of advantages within the organization.

Political behavior also refers as activities which are not required as part of one's formal role in the organization but which do influence within the organization.

5.2.2 THE CLASSIFICATION OF POLITICS BEHAVIOR

Political behaviors are divided into two: legitimate and illegitimate political behavior.

a. Legitimate political behavior :
   - Normal everyday politics such as complaining to the supervisor, forming coalitions and also developing contacts outside the organization.
   - Example complaining to your supervisor, bypassing the chain of command, forming coalitions, and obstructing organizational policies or decisions through inaction or excessive adherence to rules, and developing contacts outside the organization through one's professional activities.



b. Illegitimate political behavior :
   - Activities which violates the rules of the organization. Examples of illegitimate political behavior is wearing a protest button or getting involved with strikes.
   - Extreme political behavior that violates the implied rules of the game. Those who pursue such extreme activities are often described as individuals who "play hardball". For example sabotage, whistle-blowing, and symbolic protest such as wearing unorthodox dress or protest buttons, and groups of employees simultaneously calling in sick.



Illustration 5.2 Example of peace strike

5.2.3 THE CAUSES AND CONSEQUENCES OF POLITICAL BEHAVIOR

Although organizational politics is a way of life, how often it occurs varies. This is due to two main factors, namely the individual and organization itself.

a. Individual factors :
   - Employees who are highly self-monitoring, have high locus of control, and high needs for power would be involved in political behavior. This is due to such individuals believe that they are able to control their environment and themselves in any situation.
   - These individuals are also individuals who have high expectations of success and look forward to better work offers and opportunities.
   - For employees with low expectations of success, they are unlikely to use organizational politics in their work.

b. Organizational factors
   - Organizational resources tend to decline and should any possibilities for promotion in the workforce arise, politicking is more likely to happen. Other situations which encourage organizational politics would be situations where decisions are made based on uncertain or ambiguous evidence. This would lead to opportunities and much bigger windows for politicking to happen.
   - Office politicking is not something to be proud off. This is because it creates behavior which at times would be a disadvantages to the organization.
   - Dissatisfaction due to incorrect decision-making processes, decline in employee performance levels and unhealthy relationships would lead to high turnover in organizations.

Individual Factors	Organization Factors
• High self-monitors	• Reallocation of resources
• Internal locus of control	• Promotion opportunities
• High Machiavellian personality	• Low trust
• Organizational investment	• Role ambiguity
• Peceived job alternatives	• Unclear performance evaluation system
• Expectations of success	• Sero-sum reward practices
	• Democratic decision making
	• High performance pressures
	• Self-serving senior managers

Table 5.1 Causes and consequences of political behaviour among individual and organization

END OF CHAPTER MIND-MAPPING

END OF CHAPTER MIND-MAPPING

Chapter 6

CONFLICT AND NEGOTIATION

6.0 Introduction
6.1 The conflicts in organization
6.1.1 What is conflict?
6.1.2 The transition in conflict thought
a. Traditional view
b. Human relation view
c. Interactionist view
6.1.3 The five stages in conflict process
6.2 The concept of negotiation
6.2.1 What is negotiation?
6.2.2 The negotiation strategies
a. Distributive bargaining
b. Integrative bargaining
6.2.3 The five steps in negotiation process

LEARNING OBJECTIVE

After studying this chapter, you should be able to:

1. Define conflicts and negotiation.
2. Explain the differentiation of the transition in conflict thought.
3. Explain the negotiation strategies.
4. Describe the stages in negotiation process.

6.0 INTRODUCTION

Conflict is a natural occurrence in organizations, although not always occurring openly or in extreme form. It can occur at both individual and the group level. Conflict can have its benefits: it spurs initiative, create energy and stimulate new ideas.



6.1 THE CONFLICTS IN ORGANIZATION

Conflict can also lead to problems such as misdirection of efforts against peers instead of towards the achievement of the organization's common goals. However, if properly, if properly managed, conflict can be a source of increased organizational effectiveness.

6.1.1 WHAT IS CONFLICT?

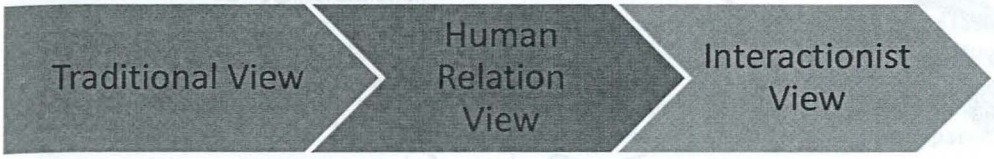
Conflict is a process that begins when one party perceives that another party has negatively affected, or is about to negatively affect, something that the first party cares about.

Conflicts are generally defined as relational disputes between two or more parties, in which those involved perceive a threat to their interests coming from those on the other side of the disagreement. Conflict is a clash of interest, values, actions, views or directions.

Disagreements among people are the underlying basis of conflict. People disagree because they see things differently, want different things, have thinking styles which encourage them to disagree, or are predisposed to disagree.

6.1.2 THE TRANSITION IN CONFLICT THOUGHT

We can differentiate the conflict thought in three transitions:



A. Traditional View

In the earliest approach (1930s through 1940s) to conflict in organizations, it was assumed that all conflict was harmful and needed to be avoided. Conflict was seen as a dysfunctional outcome resulting from poor communication, a lack of openness and trust between people, and the failure of managers to be responsive to the needs and aspirations of their employees. This somewhat simplistic view of conflict allowed for relatively easy solutions: seek out the sources of conflict and correct those malfunctions. While still commonly held in the workplace, this view is not aligned with modern research findings.

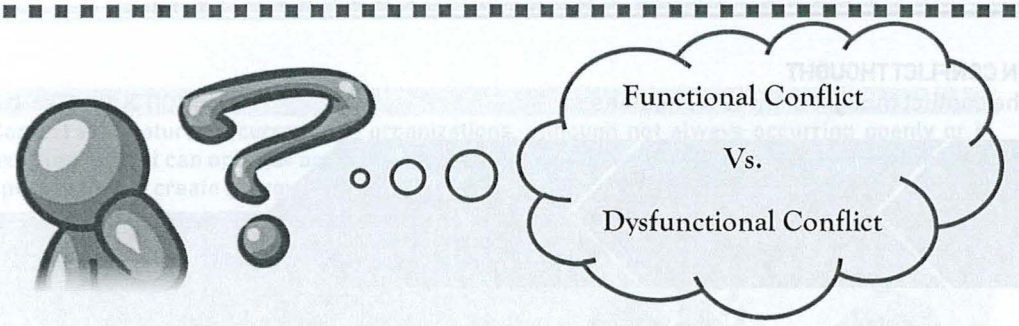
B. Human Relation View

The belief that conflict is a natural and inevitable outcome in any group. Because conflict was inevitable, the human relations school advocated acceptance of conflict. Proponents rationalized its existence. It cannot be eliminated and there are even times when conflict may benefit a group's performance. The human relations view dominated conflict theory from the late 1940s through the mid-1970s.

C. Interactionist View

The interactionist view of conflict encourages conflict on the grounds that a harmonious, peaceful, tranquil, and cooperative group is prone to becoming static, apathetic, and unresponsive to needs for change and innovation. The major contribution of this view is recognizing that a minimal level of conflict can help keep a group viable, self-critical, and creative.

- Functional Conflict. Conflict that supports the goals of the group and improves its performance: it is constructive.
- Dysfunctional Conflict. Conflicts that hinder group performance: it is destructive.

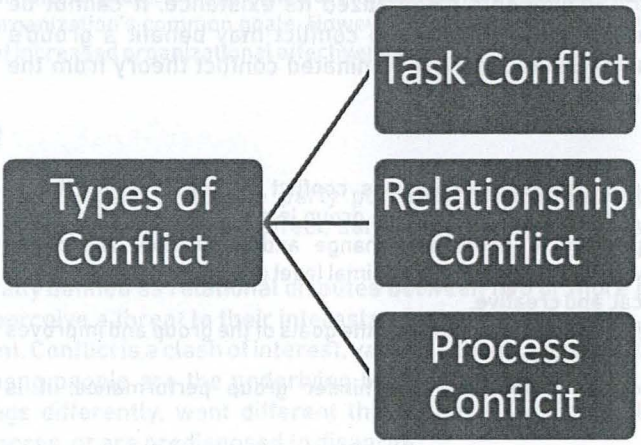


Look at the TYPES OF CONFLICT

I. **Task Conflict**. This type of conflict relates to the content and goals of the work. High levels of task conflict become dysfunctional when they create uncertainty about task roles; increase the time needed to complete tasks; or lead to members working at cross-purposes. Low-to-moderate levels of task conflict are functional as they consistently demonstrate a positive effect on group performance as it stimulates discussion of ideas.

II. **Relationship Conflict**. This type of conflict focuses on interpersonal relationships. Almost all conflict of this type is dysfunctional and its resolution can consume a fair portion of a manager's time.

III. **Process Conflict**. This final type of conflict relates to how the work is accomplished. Low levels of process conflict are functional, while moderate-to-high levels of process conflict are dysfunctional.

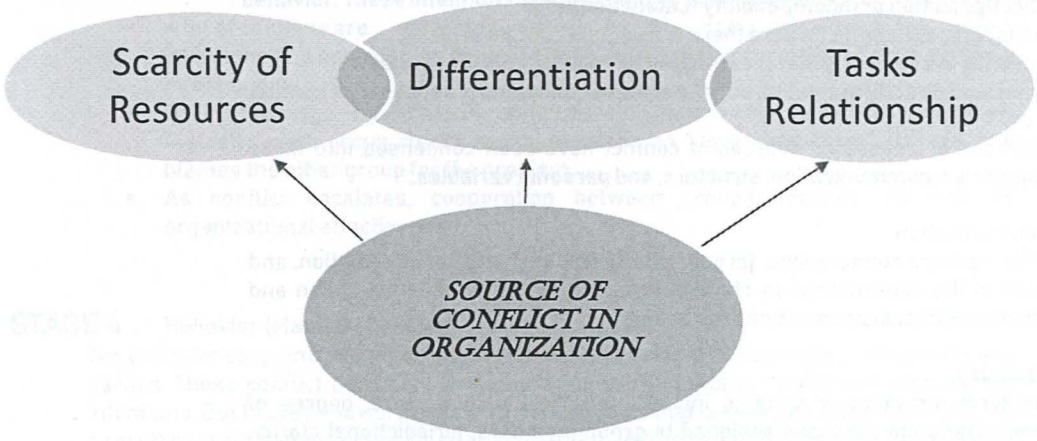


Look at the SOURCES OF CONFLICT:

I. Differentiation
- Differentiation in an organization occurs when people and tasks are grouped or split up into functions and divisions to produce goods and services.
- The splitting of the organizations or divisions results in conflict as it makes inconsistencies among functions become apparent.

II. Tasks Relationship
- Tasks relationships create conflict between people because organizational tasks are interrelated and affect one another.
- Overlapping, authority, task interdependence may stimulate conflict among functions and divisions.

III. Scarcity of Resources
- Competition for scarce resources produces conflict. One example is conflict over allocation of human resources among different functions.



6.1.3 OUTLINES THE FIVE STAGES IN CONFLICT PROCESS

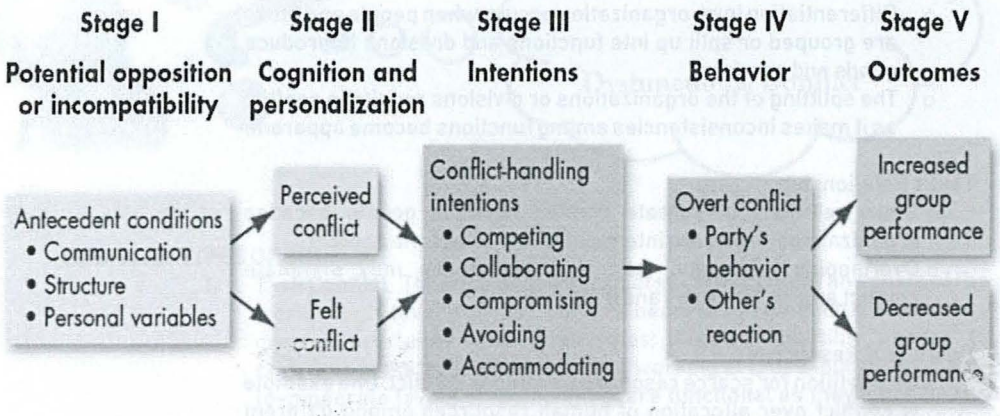


Diagram 6.1 Stages in conflict process

STAGE 1 Potential Opposition or Incompatibility (Latent Conflict)

- This is the first stage of conflict where there is no actual conflict arise.
- It is the presence of conditions that create opportunities for conflict to arise.
- They need not lead directly to conflict, but one of these conditions is necessary if conflict is to surface.
- These conditions or causes or sources of conflict have been condensed into three general categories: **communication, structure, and personal variables.**

i. Communication
Differing word connotations, jargon, insufficient exchange of information, and noise in the communication channel are all barriers to communication and potential antecedent conditions to conflict.

ii. Structure
The term structure is used to include variables such as size, degree of specialization in the tasks assigned to group members, jurisdictional clarity, member-goal compatibility, leadership styles, reward systems, and the degree of dependence between groups.

iii. Personal variables
Personal variables include personality, emotions and values. Evidence indicates that certain personality-types for example, individuals who are highly authoritarian and dogmatic will lead to potential conflict.

STAGE 2 Cognition and Personalization (Perceived Conflict)

- This stage begins when one party, which may be in individual or a group, becomes aware that its goal are being thwarted by another party.
- At stage two, it is important because it is where conflict issues tend to be defined.
- This is the place where the parties decide what the conflict is about. And to make this sense is critical because the way a conflict is defined goes a long way toward establishing the sort of outcomes that might settle it.



There are two reasons why this stage is important:

1. Conflict is defined as **perceived conflict.** It is awareness by one or more parties of the existence of conditions that create opportunities for conflict to arise.
2. Emotions are expressed that have a strong impact on the eventual outcome which is called as **felt conflict.** It is emotional involvement in a conflict creating anxiety, tenseness, frustration, or hostility.

STAGE 3 Intentions (Felt Conflict)

- Intention intervene between people's perceptions and emotions and their overt behavior. These intentions are decisions to act in a given way.
- A lot of conflicts are escalated merely by one party attributing the wrong intentions and behavior, so behavior does not always accurately reflect a person's intentions.
- During the stage, the parties in conflict develop negative feelings about each other. Typically, each group closes ranks, develops an "us-versus-them" attitude, and blames the other group for the problem.
- As conflict escalates, cooperation between groups declines, as well as organizational effectiveness.

STAGE 4 Behavior (Manifest Conflict)

The behavior stage includes the statements, actions, and reactions made by the conflicting parties. These conflict behaviors are usually overt attempts to implement each party's intentions. But these behaviors have a stimulus quality that is separate from intentions. As a result miscalculations or unskilled enactments, overt behaviors sometimes deviate from original intentions.

STAGE 5 Outcomes (Conflict Aftermath)

Not all conflict is bad. Some conflicts support the goals of the group and improve its performance; these are **functional**, or constructive, forms of conflict. But there are conflicts that hinder group performance; these are **dysfunctional**, or destructive, forms or conflict.

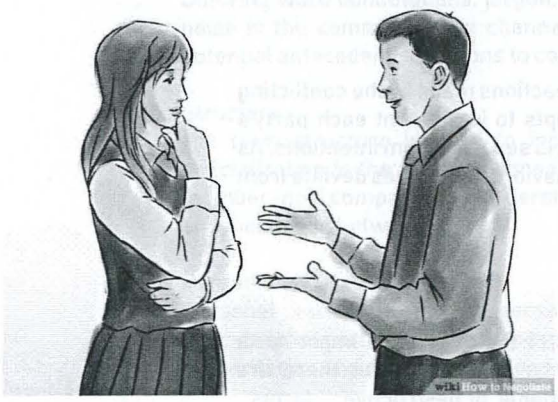
Functional	Dysfunctional
Increased performance group	Development of discontent
Improved quality of decisions	Reduced group effectiveness
Stimulation of creativity and innovation	Retarded communication
Encouragement of interest and curiosity	Reduced group cohesiveness
Provision of a medium for problem solving	Infighting among group members overcomes group goals.
Creation of an environment for self-evaluation and change.	

Table 6.1 Functional and dysfunctional conflict

6.2 THE CONCEPT OF NEGOTIATION

6.2.1 WHAT IS NEGOTIATION?

- Negotiation is bargaining. It is defined as a process in which two or more parties exchange goods or services and attempt to agree on the exchange rate for them. Negotiation permeates the interaction of almost everyone in groups and organizations.
- There's the obvious: Labour bargains with management. There's the not so obvious: Managers negotiate with employees, peers, and bosses; salesperson negotiate with customers; purchasing agents negotiate with suppliers.
- And there's the subtle: An employee agrees to answer a colleague's phone for a few minutes in exchange for some past or future benefit.
- In today's loosely structured organizations, in which members are increasingly finding themselves having to work with colleagues over whom they have no direct authority and with whom they may not even share a common boss.
- Negotiation skills become critical.

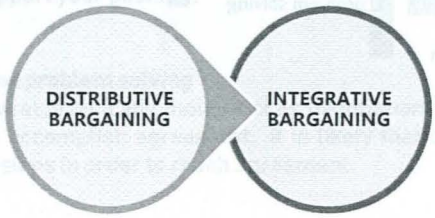


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6.2.2 THE NEGOTIATION STRATEGIES

Negotiation is applicable by two general approaches; distributive bargaining and integrative bargaining.



A. Distributive Bargaining



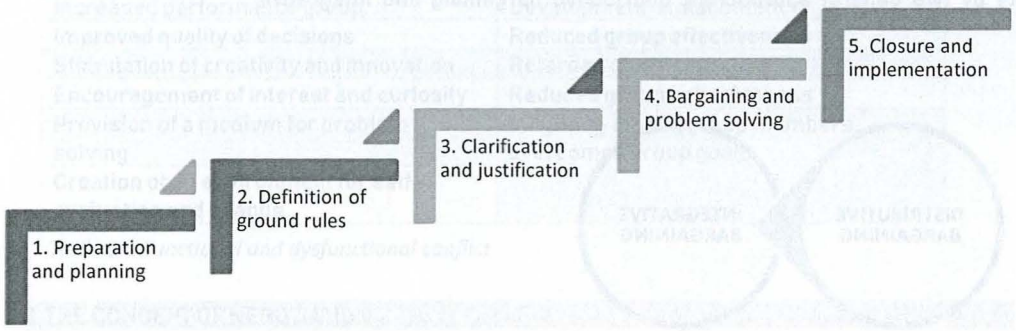
- Is negotiation that seeks to divide up a fixed amount of resources; a win-lose situation.
- Example: You see a used car advertised for sale in the newspaper. It appears to be just what you've been looking for. You go out to see the car. It's great and you want it. The owner tells you the asking price. You don't want to pay that much. The two of you then negotiate over the price. Every ringgit you can get the seller to cut from the car's price is a ringgit you save. Conversely, every ringgit more the seller can get from you comes at your expense.

B. Integrative Bargaining



- Integrative bargaining is a negotiation that seeks one or more settlements that can create a win-win solution.
- Example: A sales representative for a women's sportswear manufacturer has just closed a RM25, 000 order from a small clothing retailer. The sales rep calls in the order to her firm's credit department. She is told that the firm can't approve credit to this customer because of the past slow-payment record. The next day, the sales rep and the firm's credit manager meet to discuss the problem. The sales rep doesn't want to lose the business. Neither does the credit manager, but he also doesn't want to get stuck with an uncollectible debt. The two openly review their options. After considerable discussion, the agree on a solution that meets both their needs: the credit manager will approve the sale, but the clothing store's owner will provide a bank guarantee that will ensure payment if the bill isn't paid within 60 days. This bargaining operates under the assumption that there exists one or more settlements that can create a win-win solution.

6.2.3 THE FIVE STEPS IN NEGOTIATION PROCESS



1. **Preparation and planning**
   Before you start negotiating, you need to do your homework. *What's the nature of the conflict? What's the history leading up to this negotiation? Who's involved and what are their perceptions of the conflict? What do you want from the negotiation? What are your goals?*

   You also want to prepare an assessment of what you think the other party's goal are. *What are they likely to ask for? How entrenched are they likely to be in their position? What intangible or hidden interests may be important to them? What might they be willing to settle on?* When you can anticipate your opponent's position, you are better equipped to counter arguments with the facts and figures that support your position.

   Once you have gathered your information, use it to develop a strategy. As part of your strategy, you should determine your and the other side's **B**est **A**lternative **T**o a **N**egotiated **A**greement (BATNA). Your BATNA determines the lowest value acceptable to you for a negotiated agreement. Any offer you receive that is higher than your BATNA is better than an impasse. Conversely, you shouldn't expect success in your negotiation effort unless you are able to make the other side an offer they find more attractive than their BATNA. If you go into your negotiation having a good idea of what the other party's BATNA is, even if you're not able to meet theirs, you might be able to get them to change it.

2. **Definition of ground rules**
   Once you've done the first step, you're ready to begin defining the ground rules and procedures with the other party over the negotiation itself. Who will do the negotiating? Where will it take place? What time constraints, if any, will apply? To what issue negotiation be limited? Will there be a specific procedure to follow if an impasse is reached? During this phase, the parties will also exchange their initial proposals or demand.

3. **Clarification and justification**
   When initial positions have been exchanged, both you and the other party will explain, amplify, clarify, bolster, and justify your original demands. This need not confrontational. Rather, it's an opportunity for educating and informing each other on the issues, why they are important, and how each arrived at their initial demands. This is the point at which you might want to provide the other party with any documentation that helps support your position.

4. **Bargaining and problem solving**
   This step is what is typically thought of as negotiations. It is the actual give-and-take necessary to accomplish agreement. It is likely that both parties will have to make some concessions in order to reach agreement.

5. **Closure and implementation**
   The final step in the process is formalizing the negotiated agreement and developing any necessary procedures for implementing and monitoring that agreement. This step can be accomplished by anything from creating a formal contract through simply shaking hands on it.

END OF CHAPTER MIND-MAPPING

Chapter 7

ORGANIZATIONAL CULTURE

7.0 Introduction
7.1 The concept of organizational culture
7.1.1 What is organizational culture?
7.1.2 The functions of culture
7.1.3 The three ways of creating culture in organization
7.1.4 How to sustain organizational culture?
a. Selection process
b. Socialization process
c. Top management actions
7.1.5 Methods to cultivate organizational culture to the employees
a. Stories
b. Rituals
c. Materials symbols
d. Language

LEARNING OBJECTIVE

After studying this chapter, you should be able to:

1. Define organizational culture
2. Explain the functions of organizational culture.
3. Explain the ways in creating culture
4. Describe the ways in sustaining culture
5. Describe the methods to cultivate organizational culture.



7.0 INTRODUCTION

Organizations are more than a place to work; they are a place where people spend more of their time. Thus, the culture of the organization is important for its employees to stay and work happily.

7.1 THE CONCEPT OF ORGANIZATIONAL CULTURE

There seems to be wide agreement that organizational culture refers to a system of shared meaning held by members that distinguishes the organization from other organizations.

7.1.1 WHAT IS ORGANIZATIONAL CULTURE

Organizational culture is defined as "a system of shared meaning held by members that distinguishes the organization from other organization". It is a set of assumptions, beliefs, values and norms shared by everyone in an organization.

This system of shared meaning is, on closer examination, a set of key characteristics that the organization values. The research suggests that there are seven primary characteristics that, in aggregate, capture the essence of an organization's culture.

1. *Innovation and risk taking* – The degree to which employees are encouraged to be innovative and take risks.

2. *Attention to detail* – The degree to which employees are expected to exhibit precision, analysis, and attention to detail.

3. *Outcome orientation* – The degree to which management focuses on results or outcomes rather than on the techniques and processes used to achieve those outcomes.

4. *People orientation* – The degree to which management decisions take into consideration the effect of outcomes on people within organization.

5. *Team orientation* – The degree to which work activities are organized around teams rather than individuals.

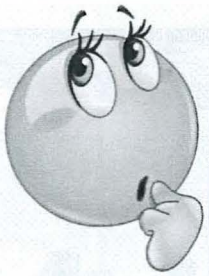
6. *Aggressiveness* – The degree to which people are aggressive and competitive rather than easygoing.

7. *Stability* – The degree to which organizational activities emphasize maintaining the status quo in contrast to growth.

7.1.2 THE FUNCTIONS OF CULTURE

Culture performs a number of functions within an organization.

- First, it has a boundary –defining role; that is, it creates distinctions between one organization and others.
- Second, it conveys a sense of identity for organization members.
- Third, culture facilitates the generation of commitment to something larger than one's individual self-interest.
- Fourth, It enhances the stability of the social system. Culture is the social glue that helps hold the organization together by providing appropriate standards for what employees should say and do.
- Finally culture serves as a sense- making and control mechanism that guides and shapes the attitudes and behavior of employees. It is this last function that is part of particular interest to us. As the following quote makes clear, culture defines the rules of the game:



Culture by definition is elusive, intangible, implicit, and taken for granted. But every organization develops a core set of assumptions, understandings, and implicit rules that govern day-to-day behaviour in the workplace. Until newcomers learn the rules, they are not accepted as full-fledged members of the organization. Transgressions of the rules on the part of high level executives or front line employees result in universal disapproval and powerful penalties. Conformity to the rules becomes the primary basis for reward and upward mobility

7.1.3 THE THREE WAYS OF CREATING CULTURE IN ORGANIZATION

Culture creation occurs in three ways.

1. First, founders hire and keep only employees who think and feel the same way they do.
2. Second, they indoctrinate and socialize these employees to their way of thinking and feeling.
3. And finally, the founders' own behaviour acts as a role model that encourages employees to identify with them and thereby internalize their beliefs, values, and assumptions.

When the organization succeeds, the founders' vision becomes seen as primary determinant of that success. At this point, the founders' entire personality becomes embedded in the culture of the organization. The culture of Hyundai, the giant Korean conglomerate is largely a reflection of its founder Chung Ju Yung. Hyundai's fierce, competitive style and disciplined, authoritarian nature are the same characteristics often used to describe Chung.

7.1.4 HOW TO SUSTAIN ORGANIZATIONAL CULTURE

Once culture is in place, there are practices within the organization that act to maintain it by giving employees a set of similar experiences. Three forces play a particularly important part in sustaining culture: selection practices, the actions of top management, and socialization methods. Let's take a closer look at each.

a. Selection process

The explicit goal of the selection process is to identify and hire individuals who have the knowledge, skills, and abilities to perform the jobs within the organization successfully.

Typically, more than one candidate will be identified who meets any given job's requirements. When that point is reach, it would be naïve to ignore the fact that the final decision as to who is hired will be significantly influenced by the decision-maker's judgement of how well the candidates will fit into the organization.

This attempt to ensure a proper match, whether purposely or inadvertently, results in the hiring of people who have values essentially consistent with those of the organization. Candidates learn about the organization end, if they perceive a conflict out of the applicant pool. Selection, therefore, becomes a two-way street, allowing employer or applicant to abrogate a marriage if there appears to be mismatch.

In this way, the selection process sustains an organization's culture by selecting out those individuals who might attack or undermine its core values.

b. Top management actions

The actions of top management also have a major impact on the organization's culture. Through what they say and how they behave, senior executives establish norms that filter down through the organization as to whether risk taking is desirable; how much of freedom managers should give their employees; what is appropriate dress is; what actions will pay off in terms of pay raises, promotions, and other rewards, and the like.

c. Socialization process

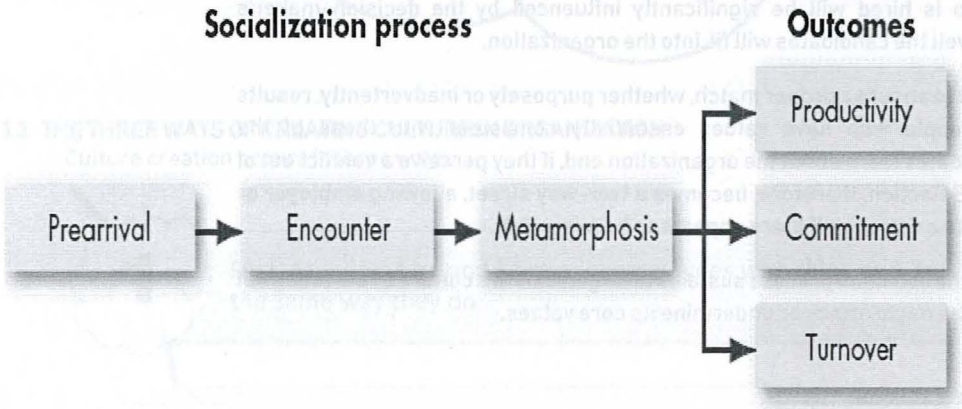
No matter how good a job the organization does in recruiting and selection, new employees are not fully indoctrinated in the organization's culture. Because they are

unfamiliar with the organization's culture, new employees are potentially likely to disturb the beliefs and customs that are in place. The organization will, therefore, want to help new employees adapt to its culture. This adaptation process is called **socialization**.

Socialization can be conceptualized as a process made up of three stages: pre-arrival, encounter, and metamorphosis. The first stage encompasses all the learning that occurs before a new member joins the organization. In the second stage, the new employee sees what the organization is really like and confronts the possibility that expectations and reality may diverge. In the third stage, the relatively long lasting changes take place.

The new employee masters the skills required for the job, successfully performs the new roles, and makes the adjustments to the work group's values and norms. This three stages process has an impact on the new employee's work productivity, commitment to the organization's objectives, and eventual decision to stay with the organization. Exhibit 7.1 depicts this process.

Exhibit 7.1: A Socialization Model



Stage 1: Prearrival

The **prearrival stage** explicitly recognizes that each individual arrives with a set of values, attitudes, and expectations. These cover both the work to be done and the organization. For instance, in many jobs, particularly professional work, new members will have undergone a considerable degree of prior socialization in training and in school.

One major purpose of a business school, for example, is to socialize business students to the attitudes and behaviors that business firms want. If business executives believe that successful employees value the profit ethic, are loyal, will work hard, and desire to achieve, they can hire individuals out of business schools who have been remolded in this pattern.

Moreover, most people think they can socialize newcomers, the most important predictor of newcomers' future behavior is their past behavior. Research shows that what people know before they join the organization, and how proactive their personality is, are critically predictors of how well they adjust to a new culture.

Stage 2: Encounter

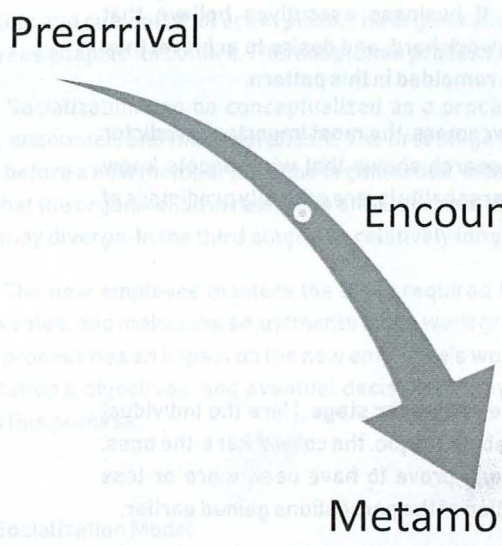
On entry into the organization, the new member enters the **encounter stage**. Here the individual confronts the possible dichotomy between expectations – about the job, the co-workers, the boss, and the organization in general- and reality. If expectations prove to have been more or less accurate, the encounter stage merely provides a reaffirmation of the perceptions gained earlier.

However, this is often not the case. Where expectations and reality differ, the new employee must undergo socialization that will detach her from her previous assumptions and replace them with another set the organization deems desirable. At the extreme, a new member may become totally disillusioned with the actualities of the job and resign. Proper selection should significantly reduce the probability of the latter occurrence.

Also, an employee's network of friends and co-workers can play a critical role in helping them "learn the ropes." Newcomers are more committed to the organization when their friendship networks are large and diverse. So, organizations can help newcomers socialize by encouraging friendship ties in organizations.

Stage 3: Metamorphosis

Finally, the new member must work out any problems discovered during the encounter stage. This may mean going through changes- hence, we call this **metamorphosis stage.** The options presented in Exhibit 7.2 are alternative designed to bring about the desired metamorphosis.



7.1.5 METHODS TO CULTIVATE ORGANIZATIONAL CULTURE TO THE EMPLOYEES

Methods to cultivate organizational culture to the employees

a. Stories

- Stories typically contain a narrative of events about the organization's founders, rule-breaking, rags-to-riches successes, reductions in the workforce, relocation of employees, reactions to past mistakes and organizational coping.
- Circulating inspiring stories through the organization anchors the present in the past and legitimating the current practices.
- Employees create their own narratives about their first experience in the organization



b. Rituals

- Repetitive sequences of activities that express reinforce the key values of the organization, what goals are most important and which people are important and which people are expendable.
- As a way to motivate and unite workforce that bonds workers and reinforces the values of the employees to the company's success.
- Example, using corporate chant to motivate and unite the workforce.

c. Material symbols

- What conveys to employees who is important, the degree of egalitarianism top management desires and the kinds of behavior that are appropriate.
- Corporate HQ layouts, types of automobiles given to top executives, presence or absence of corporate aircraft, office size, furnishing elegance, executive peeks and attire are among materials that symbolize the culture of an organization

d. Language

- Many organizations and subunits within them use language to help members identify with the culture, attest to their acceptance of it and help preserve the culture.
- Use of unique terms to describe equipment, officers, key individuals, suppliers, customers or products that relate to the business.

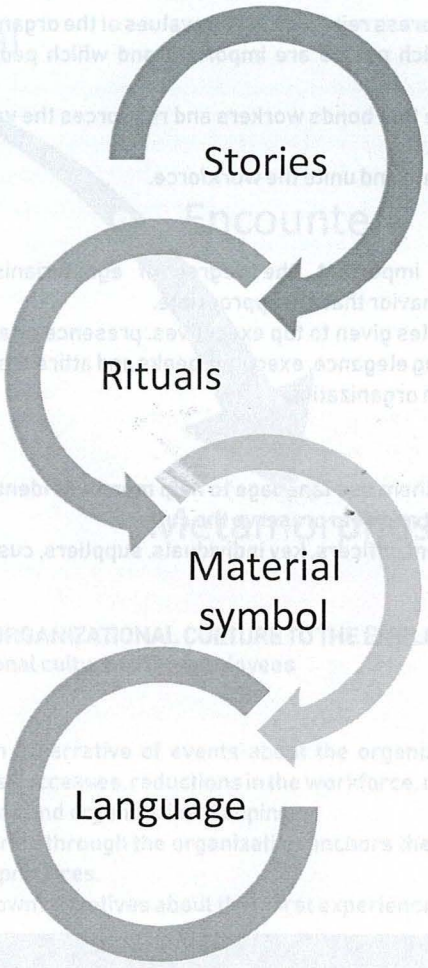


Illustration 7.1 Methods to cultivate organization behaviour

END OF CHAPTER MIND-MAPPING

END OF CHAPTER MIND-MAPPING



Chapter 8

ORGANIZATIONAL CHANGE AND STRESS MANAGEMENT

8.0 Introduction
8.1 The concept of organizational change
  8.1.1 The pressure or forces of change
  8.1.2 The sources of resistance to change
    a. Individual sources
    b. Organizational sources
  8.1.3 The tactics to overcome resistance to change
  8.1.4 The methods to manage organizational change
    a. Lewin's Three Step Model
    b. Kotter's Eight-Step Plan for implementing change
    c. Action research
    d. Organizational development
8.2 Stress at workplace
  8.2.1 What is stress at workplace
  8.2.2 The potential sources of stress
    a. Environmental factors
    b. Organizational factors
    c. Personal factors
  8.2.3 The consequences of stress
    a. Physiological symptoms
    b. Psychological symptoms
    c. Behavioral symptoms
  8.2.4 Methods to manage stress
    a. Individual approaches
    b. Organizational approaches

LEARNING OBJECTIVE

After studying this chapter, you should be able to:

1. Define organizational change and stress.
2. Explain the forces of change and sources of resistance to change.
3. Describe the tactics to overcome the resistance to change and methods to manage organizational change.
4. Explain the sources of stress and the consequences of stress
5. Describe the methods to manage stress.

8.0 INTRODUCTION

Organizational change is considered the adoption of new idea or behavior by an organization. Organizational innovation is the adoption of an idea or behavior that is new to the organization's industry, market or general environment.

Managers as change agents should be motivated to initiate change because it is their duty to improve organization's performance.

8.1 INTERPRET THE CONCEPT OF ORGANIZATIONAL CHANGE

8.1.1 THE PRESSURE OR FORCES OF CHANGE

a. Nature of the workforce

Almost every organization must adjust to a multicultural environment. Human resource policies and practices must change to reflect the needs of an aging labor force. And many companies are having to spend large amounts of money on training to upgrade reading, math, computer, and other skills of employees.

b. Technology

Technology is changing jobs and organizations. For instance, computers are now commonplace in almost every organization; and cell phones and handheld PDAs are indispensable by a large segment of the population.

c. Economic shocks

Beginning in the early 1970s, with the overnight quadrupling of world oil prices, economic shocks have continued to impose changes on organizations. In recent years, for instance, new dot-com business has been created, turned tens of thousands of investors into overnight millionaires, and then crashed. The stock market decline from 2000 to 2002 eroded approximately 40 percent of the average employee's retirement account which may force many employees to postpone their anticipated retirement date.

d. Competition

Competition is changing. The global economy means that competitors are as likely to come across the ocean as from across town. Heightened competition also makes it necessary for established organizations to defend themselves against both traditional competitors who

develop new products and services and small, entrepreneurial firms with innovative offerings. Successful organizations will be the ones that can change in response to the competition.

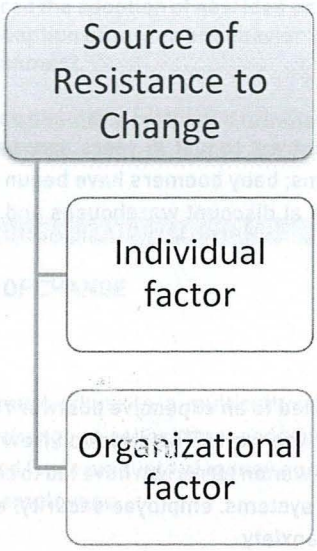
e. Social trends

Social trends don't remain static. For instance, in contrast to just 15 years ago, people are meeting and sharing information in Internet chat rooms; baby boomers have begun to retire; and consumers are increasingly doing their shopping at discount warehouses and "big box" retailers like Home Depot and Circuit City.

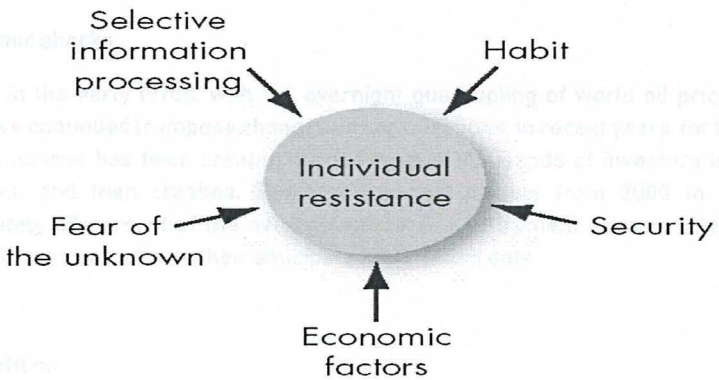
f. World politics

The unilateral invasion of Iraq by the United States has led to an expensive postwar rebuilding and an increase in anti-American attitudes in much of the world. The attack on New York and Washington on September 11, 2001 and the subsequent war on terrorism have led to changes in business practices related to the creation of backup systems, employee security, employee stereotyping and profiling, and post-terrorist-attack-anxiety.

8.1.2 CLASSIFY THE SOURCES OF RESISTANCE TO CHANGE



A. Individual sources



i. Security

People with a high need for security are likely to resist change because it threatens their feeling of safety. When General Dynamics announces personnel cutbacks or

Ford introduces new robotic equipment, many employees at these firms may fear that their jobs are in jeopardy.

ii. Economic factors

Changes in job tasks or established work routines also can arouse economic fears if people are concerned that they won't be able to perform the new tasks or routines to their previous standards, especially when pay is closely tied to productivity.

iii. Fear of the unknown

Changes substitute ambiguity and uncertainty for the known. If, for example, the introduction of word processors means that departmental secretaries will have to learn to operate these new pieces of equipment, some of the secretaries may fear that they will be unable to do so. They may, therefore, develop a negative attitude toward working with word processors or behave dysfunctional if required to use them.

iv. Selective information processing

Individuals are guilty of selectively processing information in order to keep their perceptions intact. They hear what they want to hear. They ignore information that challenges the world that they've created. To return to the secretaries who are faced with the introduction of word processors, they may ignore the arguments that their bosses make in explaining why the new equipment has been purchased or the potential benefits that the change will provide them.

B. Organizational sources



i. Structural Inertia

Organizations have built-in mechanisms like their selection process and formalized regulations to produce stability. When an organization is confronted with change, this structural inertia acts as a counterbalance to sustain stability.

ii. Limited focus of change

Organizations are made up of a number of interdependent subsystems. One can't be change without affecting the others. So limited changes in subsystems tend to be nullified by the larger system.

iii. Group Inertia

Even if individuals want to change their behavior, group norms may act as a constraint. An individual union member, for instance, may be willing to accept changes in his job suggested by management. But if union norms dictate resisting any unilateral change made by management, he's likely to resist.

iv. Threat to expertise

Changes in organizational patterns may threaten the expertise of specialized groups. The introduction of decentralized personal computers, which allow managers to gain access to information directly from a company's mainframe, is an example of a change that was strongly resisted by many information systems

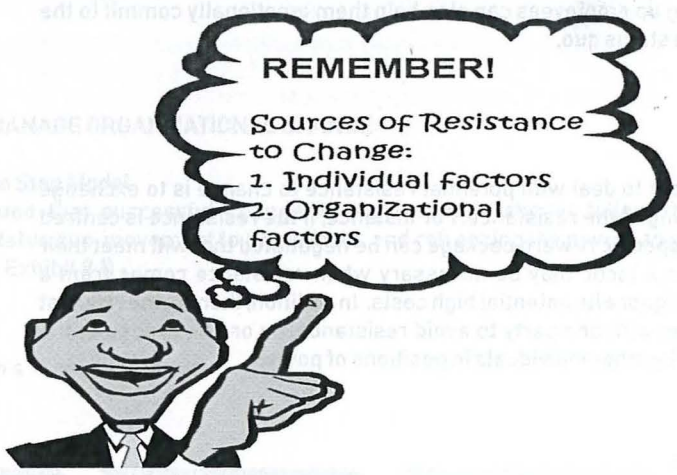
departments in the early 1980s. Why? Because decentralized end-user computing was a threat to the specialized skills held by those in the centralized information systems departments.

v. Threat to established power relationships

Any redistribution of decision-making authority can threaten long-established power relationships within the organization. The introduction of participative decision making, or self-managed work teams is the kind of change that is often seen as threatening by supervisors and middle managers.

vi. Threat to established resource allocations

Those groups in the organization that control sizable resources often see change as a threat. They tend to be content with the way things are.



8.1.3 DEMONSTRATE TACTICS TO OVERCOME RESISTANCE TO CHANGE

A. Education and Communication

Resistance can be reduced through communicating to help employees see the logic of a change. Communication can reduce resistance on two levels. First, it fights the effects of misinformation and poor information: If employees receive the full facts and get any misunderstandings cleared up, resistance should subside. Second, communication can be helpful in "selling" the need for change. Indeed, research shows the way the need for change is sold matters – change is more likely when the necessity of changing is packed properly.

B. Participation

It is difficult for individuals to resist a change decision in which they participated. Prior to making a change, those opposed can be brought into the decision process. Assuming that the participants have the expertise to make a meaningful contribution, their involvement can reduce resistance, obtain commitment, can increase the quality of the change decision. However, against these advantages are the negatives: potential for a poor solution and great consumption of time.

C. Building Support and Commitment

Change agents can offer a range of supportive efforts to reduce resistance. When employees' fear and anxiety are high, employee counselling and therapy, new-skills training, or a short-paid leave of absence may facilitate adjustment. Research on middle managers has shown that when managers or employees have low emotional commitment to change, they favor the status quo and resist it. So, firing up employees can also help them emotionally commit to the change rather than embrace the status quo.

D. Negotiation

Another way for the change agent to deal with potential resistance to change is to exchange something of value for a lessening of the resistance. For instance, if the resistance is centred in a few powerful individuals, a specific reward package can be negotiated that will meet their individual needs. Negotiation as a tactic may be necessary when resistance comes from a powerful source. Yet one cannot ignore its potential high costs. In addition, there is the risk that , once a change agent negotiates with one party to avoid resistance, he or she is open to the possibility of being blackmailed by other individuals in positions of power.

E. Manipulation and Cooptation

Manipulation refers to covert influence attempts. Twisting and distorting facts to make them appear more attractive, withholding undesirable information, and creating false rumors to get employees to accept a change are all examples of manipulation. *Cooptation*, on the other hand, is a form of both manipulation and participation. It seeks to "buy off" the leaders of a resistance group by giving them a key role in the change decision. Both manipulation and cooptation are relatively inexpensive and easy ways to gain support. The tactics can backfire if the targets become aware that they are being tricked or used. Once discovered, the change agent's credibility may drop to zero.

F. Selecting People Who Accept Change

Research suggests that the ability to easily accept and adapt to change is related to personality. It appears that people who adjust best to change are those who are open to experience, take a positive attitude toward change, are willing to take risks, and are flexible in their behavior. One study of managers in the United States, Europe, and Asia found that those with a positive self-concept and high-risk tolerance coped better with organizational change. The study authors suggested that organizations could facilitate the change process by selecting people who score high on these characteristics.

G. Coercion

This is the application of direct threats or force upon the resisters. Examples of coercion are threats of transfer, loss of promotions, negative performance evaluations, and a poor letter of recommendation.

8.1.4 METHODS TO MANAGE ORGANIZATIONAL CHANGE

A. Lewin's Three Step Model

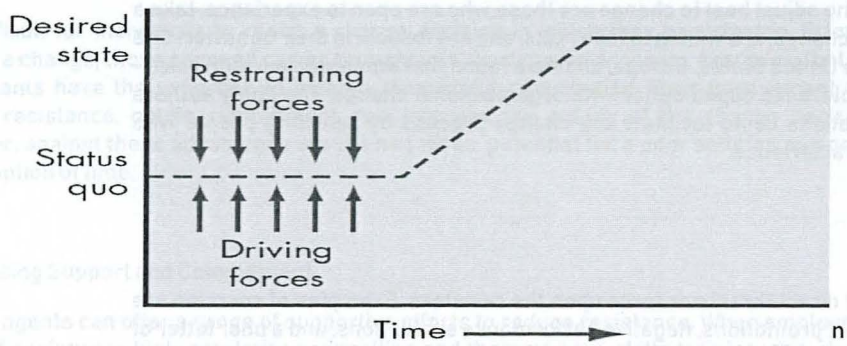
Kurt Lewin argued that successful change in organizations should follow three steps: Unfreezing the status quo, movement to a new state, and refreezing the new change to make it permanent. (See Exhibit 8.1)

Exhibit 8.1 : Lewin's Three Step Model



The status quo can be considered to be an equilibrium state. To move from this equilibrium—to overcome the pressures of both individual resistance and group conformity—unfreezing is necessary. It can be achieved in three ways. (See Exhibit 8.2)

Exhibit 8.2: Unfreezing the Status Quo



n be increased. The restraining forces which hinder movement from the existing equilibrium, can be decreased.

A third alternative is to combine the first two approaches. Companies that have been successfully in the past are likely to encounter restraining forces because people question the need for change. Similarly, research shows that companies with strong cultures excel at incremental change but are overcome by restraining forces against radical changes.

Once the change has been implemented, the new situation needs to be refrozen so that it can be sustained over time. Unless this last step is taken, there is a very high change that the change will be short-lived and that employees will attempt to revert to the previous equilibrium state. The objective of refreezing then, is to stabilize the new situation by balancing the driving and restraining forces.

B. Kotter's Eight-Step Plan for implementing change

John Kotter of the Harvard business school built on Lewin's three step model by creating a more detailed approach for implementing change. Kotter then establish eight sequential steps to overcome these problems. They're listed in exhibit 8.3.

Exhibit 8.3: Kotter's Eight-Step Plan for Implementing Change

1. Establish a sense of urgency by creating a compelling reason for why change is needed.
2. Form a coalition with enough power to lead the change.
3. Create a new vision to direct the change and strategies for achieving the vision.
4. Communicate the vision throughout the organization.
5. Empower others to act on the vision by removing barriers to change and encouraging risk taking and creative problem solving.
6. Plan for, create, and reward short-term "wins" that move the organization toward the new vision.
7. Consolidate improvements, reassess changes, and make necessary adjustments in the new programs.
8. Reinforce the changes by demonstrating the relationship between new behaviors and organizational success.

C. Action research

Action research refers to a change process based on the systematic collection of data and then selection of a change action based on what the analyzed data indicate. The process consists of five steps: *diagnosis, analysis, feedback, action, and evaluation.*

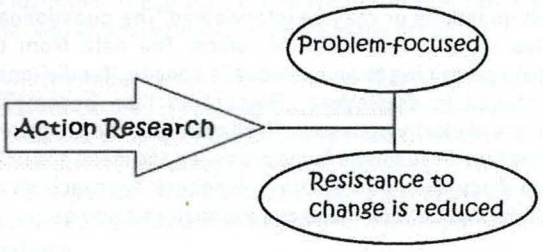
These steps closely parallel the scientific method. Diagnosis begins by gathering information about problems, concerns, and needed changes from members of the organization. Analysis of information is synthesized into primary concerns, problem areas, and possible actions.

Action research includes extensive involvement of the people who will be involved in the change program. Feedback requires sharing with employees what has been found from steps one and two and the development of a plan for the change. Action is the step where the change agent and employees set into motion the specific actions to correct the problems that were identified.

Evaluation is the final step to assess the action plan's effectiveness. Using the initial data gathered as a benchmark, any subsequent changes can be compared and evaluated.

Action research provides at least two specific benefits for an organization.

- First, it is problem focused. The change agent objectively looks for problems and the type of problem determines the type of change of action.
- Second, resistance to change is reduced. Once employees have actively participated in the feedback stage, the change process typically takes on a momentum of its own. The employees and groups that have been involved become an internal source of sustained pressure to bring about the change.



D. Organizational development

Organizational development (OD) is a term used to encompass a collection of planned-change interventions built on humanistic-democratic values that seek to improve organizational effectiveness and employee well-being. The OD paradigm values human and organizational growth, collaborative and participative processes, and a spirit of inquiry. The following briefly underlying values in most OD efforts:

1. *Respect for people*: Individuals are perceived as being responsible, conscientious, and caring. They should be treated with dignity and respect.

2. *Trust and support*: The effective and healthy organization is characterized by trust, authenticity, openness and a supportive climate.
3. *Power equalization*: Effective organizations deemphasize hierarchical authority and control.
4. *Confrontation*: Problems shouldn't be swept under the rug. They should be openly confronted.
5. *Participation*: The more that people who will be affected by a change are involved in the decisions surrounding that change, the more they will be committed to implementing those decisions.

Organizational Development techniques or interventions that change agents might consider using:

- Sensitivity training:

  It can go by a variety of names—laboratory training, groups, or T-groups (training groups)—but all refer to a thorough unstructured group interaction. Participants discuss themselves and their interactive processes, loosely directed by a professional behavioral scientist. Specific results sought include increased ability to empathize with others, improved listening skills, greater openness, increased tolerance of individual differences, and improved conflict resolution skills.

- Survey feedback:

  One tool for assessing attitudes held by organizational members, identifying discrepancies among member perceptions, and solving these differences is the survey feedback approach. Everyone can participate, but of key importance is the organizational "family. "A questionnaire is usually completed by all members in the organization or unit. Organization members may be asked to suggest questions or may be interviewed. The questionnaire asks for perceptions and attitudes on a broad range of topics. The data from this questionnaire are tabulated with data pertaining to an individual's specific "family" and to the entire organization and distributed to employees. These data then become the springboard for identifying problems and clarifying issues. Particular attention is given to encouraging discussion and ensuring that discussions focus on issues and ideas and not on attacking individuals. Finally, group discussion in the survey feedback approach should result in members identifying possible implications of the questionnaire's findings.

- Process consultation:

  The purpose of process consultation is for an outside consultant to assist a manager, "to perceive, understand, and act upon process events" that might include work flow, informal relationships among unit members, and formal communication channels. The consultant works with the client in jointly diagnosing what processes need improvement. By having the client actively participate in both the diagnosis and the development of alternatives, there will be greater understanding of the process and the remedy and less resistance to the action plan chosen. The process consultant need not be an expert in solving the particular

problem that is identified. The consultant's expertise lies in diagnosis and developing a helping relationship.

- Team building:

  It utilizes high-interaction group activities to increase trust and openness among team members. Team building can be applied within groups or at the inter-group level. Team building is applicable to the case of interdependence. The objective is to improve coordinative efforts of members, which will result in increasing the team's performance. The activities considered in team building typically include goal setting, development of interpersonal relations among team members, role analysis, and team process analysis. Team building attempts to use high interaction among members to increase trust and openness. Begin by having members attempt to define the goals and priorities of the team. Following this, members can evaluate the team's performance—how effective is the team in structuring priorities and achieving its goals? This should identify potential problem areas. Team building can also address itself to clarifying each member's role on the team.

- Intergroup development:

  A major area of concern in OD is the dysfunctional conflict that exists between groups. It seeks to change the attitudes, stereotypes, and perceptions that groups have of each other. There are several approaches to intergroup development. A popular method emphasizes problem solving. Each group meets independently to develop lists of its perception of itself, the other group, and how it believes the other group perceives it. The groups then share their lists, after which similarities and differences are discussed. Differences are clearly articulated, and the groups look for the causes of the disparities. Once the causes of the difficulty have been identified, the groups can move to the integration phase—working to develop solutions that will improve relations between the groups.

  Subgroups, with members from each of the conflicting groups, can now be created for further diagnosis and to begin to formulate possible alternative actions that will improve relations. Once the causes of the difficulty have been identified, the groups can move to the integration phase—working to develop solutions that will improve relations between the groups. Subgroups, with members from each of the conflicting groups, can now be created for further diagnosis and to begin to formulate possible alternative actions that will improve relations.

- Appreciative Inquiry:

  Most OD approaches are problem centered. They identify a problem or set of problems, then look for a solution. Appreciative inquiry seeks to identify the unique qualities and special strengths of an organization. The AI process essentially consists of four steps:

  - Discovery. The idea is to find out what people think are the strengths of the organization. For instance, employees are asked to recount times they felt the

organization worked best or when they specifically felt most satisfied with their jobs.

- Dreaming. The information from the discovery phase is used to speculate on possible futures for the organization. For instance, people are asked to envision the organization in five years and to describe what is different.
- Design. Based on the dream articulation, participants focus on finding a common vision of how the organization will look and agree on its unique qualities.
- Destiny. In this final step, participants discuss how the organization is going to fulfill its dream. This typically includes the writing of action plans and development of implementation strategies.



8.2 STRESS IN WORKPLACE

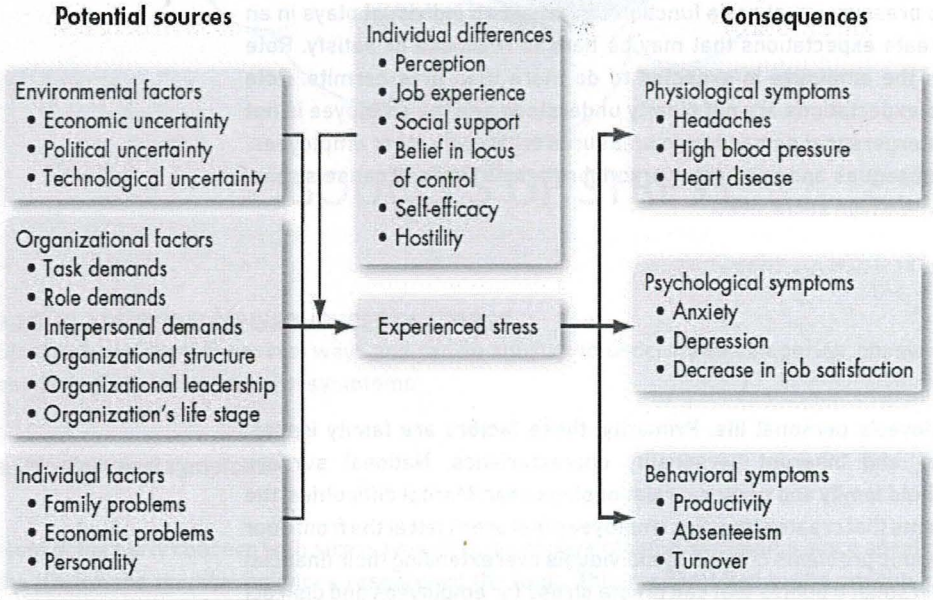
8.2.1 WHAT IS STRESS IN WORKPLACE?

Stress is a dynamic condition in which an individual is confronted with an opportunity, constraint, or demand related to what he/she desires and for which the outcome is perceived to be both uncertain and important. Stress is not necessarily bad in and of itself. Individuals often use stress positively to rise to the occasion and perform at or near their maximum. Typically, stress is associated with demands and resources. Demands are responsibilities, pressures, obligations, and even uncertainties that individuals face in the workplace. Resources are things within an individual's control that can be used to resolve the demands.

8.2.2 CLASSIFY THE POTENTIAL SOURCES OF STRESS

What causes stress? What are its consequences for individual employees? Exhibit 8.4 provides a model that can answer questions such as these.

Exhibit 8.4 : A model of stress



ental, organizational, and personal. Let's take a look at each.

a. Environmental factors

Environmental uncertainty influences the design of an organization's structure, it also influences stress levels among employees in an organization. Changes in the business cycle create economic uncertainties. When the economy is contracting, for example, people become increasingly anxious about their job security. Political uncertainties can be stress inducing. Technological uncertainty

can cause stress because new innovations can make an employee's skills and experience obsolete in a very short period of time. For Americans, the events of 9/11 and subsequent color-coded terror alerts have increased stress related to working in skyscrapers and attending large public events and have heightened concerns about security.

b. Organizational factors

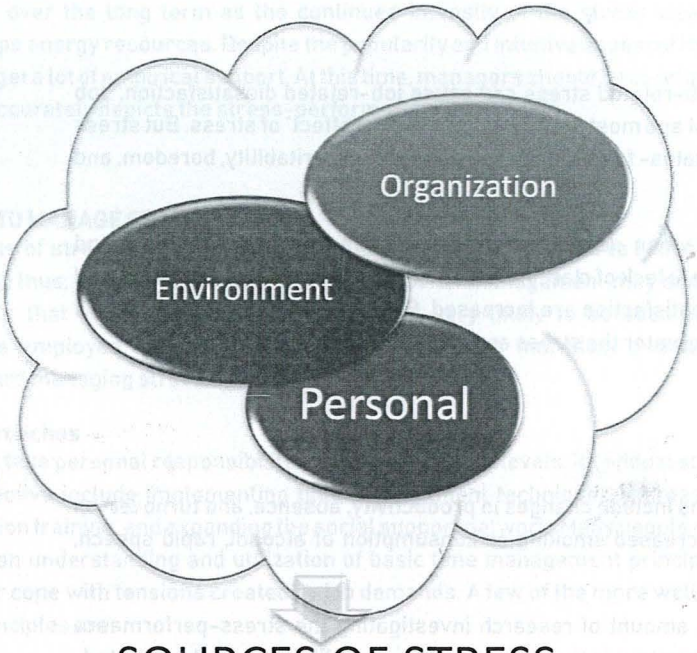
There is no shortage of factors within the organization that can cause stress. Pressures to avoid errors or complete tasks in a limited time period, work overload, a demanding and insensitive boss, and unpleasant co-workers are a few examples. We've categorized these factors around task, role, and interpersonal demands. Task demands are factors related to a person's job. They include the design of the individual's job (autonomy, task variety, degree of automation), working conditions, and the physical work layout.

Role demands relate to pressures that are a function of the role an individual plays in an organization. Role conflicts create expectations that may be hard to reconcile or satisfy. Role overload is experienced when the employee is expected to do more than time permits. Role ambiguity is created when role expectations are not clearly understood and the employee is not sure what he or she is to do. Interpersonal demands are pressures created by other employees. Lack of social support from colleagues and poor interpersonal relationships can cause stress, especially among employees with a high social need.

c. Personal factors

These are factors in the employee's personal life. Primarily, these factors are family issues, personal economic problems, and inherent personality characteristics. National surveys consistently show that people hold family and personal relationships dear. Marital difficulties, the breaking off relationship problems that create stress for employees that aren't left at the front door when they arrive at work. Economic problems created by individuals overextending their financial resources are another set of personal troubles that can create stress for employees and distract their attention from their work.

Studies in three diverse organizations found that stress symptoms reported prior to beginning a job accounted for most of the variance in symptoms reported 9 months later. This led to researchers to conclude that some people may have an inherent tendency to accentuate negative aspects of the world in general. If this is true, then a significant individual factor that influences stress is a person's basic disposition. That is, stress symptoms expressed on the job may originate in the person's personality.



SOURCES OF STRESS

8.2.3 CLASSIFY THE CONSEQUENCES OF STRESS

Stress shows itself in several ways and can be subsumed under three categories: physiological, psychological, and behavioral symptoms.

a. Physiological symptoms

Most of the early concern with stress was directed at physiological symptoms since specialists in the health and medical sciences researched the topic. This research led to the conclusion that stress could create changes in metabolism, increase blood pressure, bring on headaches, and induce heart attacks.

The link between stress and physiological symptoms is not clear. Traditionally, researchers concluded that there were few, if any, consistent relationship. This is attributed to the complexity of the symptoms and the difficulty of objectivity measuring them. More recently, some evidence suggests that stress may have harmful physiological effects. For example, one recent study linked stressful job demands to increase susceptibility to upper respiratory illnesses and poor immune system functioning especially for individuals who had low self-efficacy.

b. Psychological symptoms

Stress can cause dissatisfaction. Job-related stress can cause job-related dissatisfaction. Job dissatisfaction, in fact, is "the simplest and most obvious psychological effect" of stress. But stress shows itself in other psychological states- for instance, tension, anxiety, irritability, boredom, and procrastination.

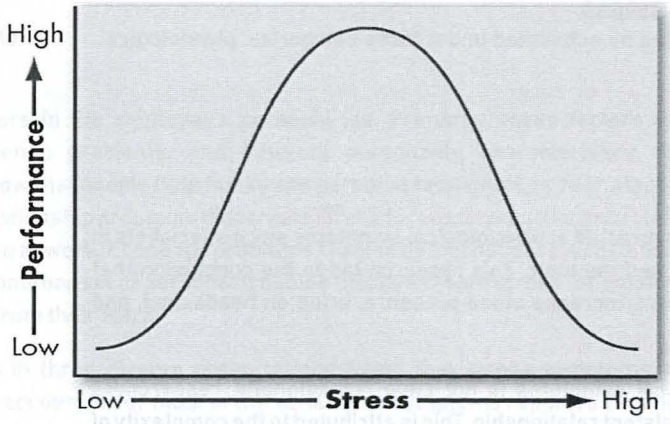
The evidence indicates that when people are placed in jobs that make multiple and conflicting demands or in which there is lack of clarity about the incumbent's duties, authority, and responsibilities, both stress and dissatisfaction are increased. Similarly, the less control people have over the pace of their work, the greater the stress and dissatisfaction.

c. Behavioral symptoms

Behaviorally related stress symptoms include changes in productivity, absence, and turnover, as well as changes in eating habits, increased smoking or consumption of alcohol, rapid speech, fidgeting, and sleep disorders.

There has been a significant amount of research investigating the stress-performance relationship. The most widely studied pattern in the stress-performance literature is the inverted-U relationship. This is shown in Exhibit 8.5.

Exhibit 8.5: Inverted-U Relationship between Stress and Job Performance



The logic underlying the inverted U is that low to moderate levels of stress stimulate the body and increase its ability to react. Individuals then often perform their tasks better, more intensely, or more rapidly. But too much stress places unattainable demands or constraints on a person, which result in lower performance. That is, even moderate levels of stress can have a negative influence

on performance over the long term as the continued intensity of the stress wears down the individual and saps energy resources. Despite the popularity and intuitive appeal of the inverted-U model, it doesn't get a lot of empirical support. At this time, managers should be careful in assuming that this model accurately depicts the stress-performance relationship.

8.2.4 METHODS TO MANAGE STRESS

High or low levels of stress sustained over long periods of time, can lead to reduced employee performance and, thus, require action by management. What management may consider to be a "positive stimulus that keeps the adrenalin running" is very likely to be seen as "excessive pressure" by the employee. Keep this in mind as we discuss individual and organizational approaches toward managing stress.

a. Individual approaches

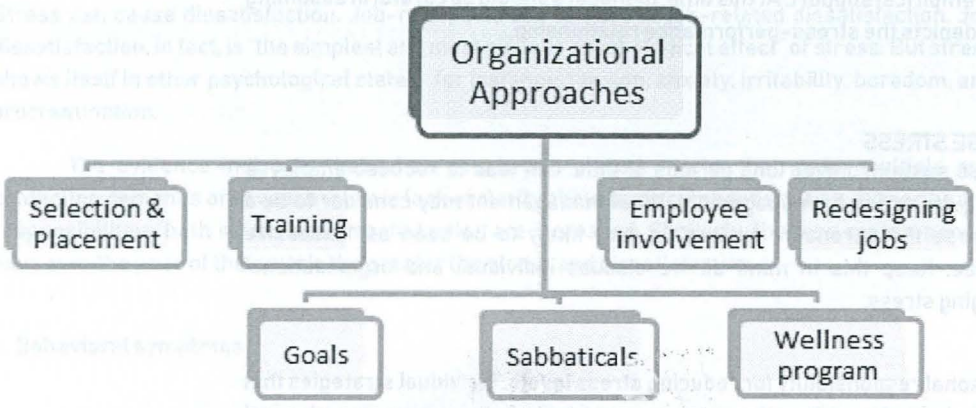
An employee can take personal responsibility for reducing stress levels. Individual strategies that have proven effective include implementing time management techniques, increasing physical exercise, relaxation training, and expanding the social support network. Many people manage their time poorly. So, an understanding and utilization of basic time management principles can help individuals better cope with tensions created by job demands. A few of the more well-known time management principles are:

i. making daily lists of activities to be accomplished
ii. prioritizing activities by importance and urgency
iii. scheduling activities according to the priorities set.
iv. knowing your daily cycle and handling the most demanding parts of your job during the high part of your cycle when you are most alert and productive.

Noncompetitive physical exercise such as aerobics, walking, jogging, swimming and riding a bicycle has long been recommended as a way to deal with excessive stress levels. These forms of physical exercise increase heart capacity, lower the at-rest heart rate, provide a mental diversion from work pressures, and offer a means to "let off steam."

Individuals can teach themselves to reduce tension through relaxation techniques such as meditation, hypnosis, and biofeedback. The objective is to reach a state of deep relaxation, in which one feels physically relaxed, somewhat detached from the immediate environment, and detached from body sensations. Having friends, family, or work colleagues to talk to provides an outlet when stress levels become excessive. Expanding your social support network, therefore, can be a means for tension reduction. It provides you with someone to hear your problems and to offer a more objective perspective on the situation.

b. Organizational approaches



Several of the factors that cause stress- particularly task and role demands are controlled by management. Strategies that management might want to consider include improved personnel selection and job placement, use of realistic goal setting, redesigning of jobs, training, increased employee involvement, improved organizational communication, offering employee sabbaticals, and establishment of corporate wellness programs.

Selection and placement decisions should take these facts into consideration. Obviously, management shouldn't restrict hiring to only experienced individuals with an internal locus, but such individuals may adapt better to high stress jobs and perform those jobs more effectively. Similarly *training* can increase an individual's self-efficacy and thus lessen job strain. Individuals perform better when they have specific and challenging *goals* and receive feedback on how well they are processing reward these goals. The use of goals can reduce stress as well as provide motivation. In addition, goal feedback reduces uncertainties about actual job performance. The result is less employee frustration, role ambiguity, and stress.

Redesigning jobs to give employees more responsibilities, more meaningful work, more autonomy, and increased feedback can reduce stress because these factors give the employee greater control over work activities and lessen dependence on others. Role stress is detrimental to a large extent because employees feel uncertain about goals, expectations, how they'll evaluated, and the like. By giving these employees a voice in the decision that directly affect their job performance, management should *consider increasing employee involvement* in decision making.

Increasing formal organizational communication with employees reduces uncertainty by lessening role ambiguity and role conflict. Give the importance that perceptions play in moderating the stress-response relationship, management can also use effective communication as a means to shape employee perceptions.

What some employees need is an occasional escape from the frenetic pace of their work. In recent years, companies such as Charles Schwab, Du Pont, Nike and 3Com have begun to provide extended voluntary leaves. These *sabbaticals*- ranging in length from a few weeks to several months- allow employees to travel, relax, or pursue personal projects that consume time beyond normal vacations weeks.

Our final suggestion is to offer *supported wellness programs*. These programs focus on the employee's total physical and mental condition. For example, the typically provide workshops to help people quit smoking, control use, lose weight, eat better, and develop a regular exercise program. The assumption underlying most wellness programs is that employees need to take personal responsibility for their physical and mental health. The organization is merely a vehicle to facilitate this end.

END OF CHAPTER MIND-MAPPING

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