

Understanding Organizational Behaviour

FOURTH EDITION

Udai Pareek

Revised and Updated by

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New Delhi

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Udai Pareek—A Profile



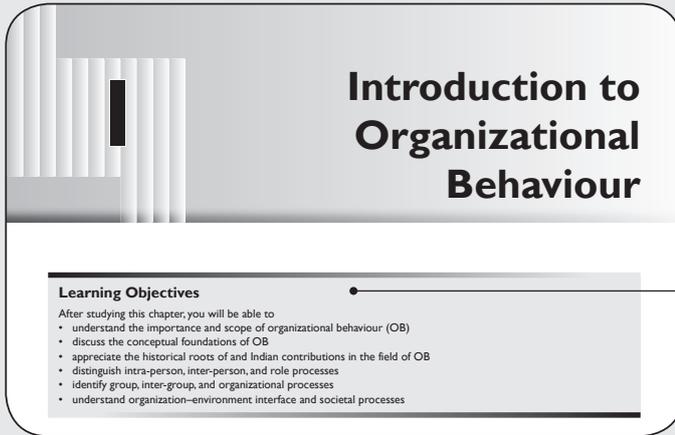
Late Prof. Udai Pareek, considered to be the father of organizational behaviour (OB) in India, was an eminent educator, psychologist, and trainer. He started his career as a teacher of psychology in Jaipur and went on to teach at various prestigious institutes such as the University of Delhi, Indian Agricultural Research Institute, the University of North Carolina, and IIM Ahmedabad. He was also on the governing boards of several institutes and companies.

Along with other eminent contemporaries, Prof. Pareek started the organizational development (OD) movement in India. Many of the psychometric instruments that are used in India were originally designed by him. He was actively involved in the fields of OB, OD, human resource development (HRD), organization structuring, and training.

During his years as a psychologist, Prof. Pareek became interested in the works of Kurt Lewin, Stephen Covey, and others. His interests in action research, social change, and group dynamics led him to a fellowship at the National Training Laboratories, US.

With David McClelland, he worked on developing entrepreneurs through enhancing their achievement motivation. This had far-reaching influence on the strategies of small industry development in India as also on the practices of government agencies, financial institutions, and development projects. In addition to the three needs or motivation as suggested by McClelland, based on research on Indian managers, Prof. Pareek proposed the concept of a 'need for extension', a need to relate to a larger group or cause. However, Prof. Pareek's biggest contributions to HR are the concepts of 'role' and 'role efficacy', which he evolved based on in-depth interviews with managers. His concern for the development of persons through their organizational roles led him to redesign the personnel function according to the concept of HRD, which differed from the Western concept in that it was value-based; it included all human units in an organization; and it dealt with all systems of development rather than only training and education.

Features of



Introduction to Organizational Behaviour

Learning Objectives

After studying this chapter, you will be able to

- understand the importance and scope of organizational behaviour (OB)
- discuss the conceptual foundations of OB
- appreciate the historical roots of and Indian contributions in the field of OB
- distinguish intra-person, inter-person, and role processes
- identify group, inter-group, and organizational processes
- understand organization–environment interface and societal processes

Learning Objectives

An outline of the main concepts and ideas indicates what you can expect to learn from each chapter.

Exhibits

The chapters contain exhibits that help build on the concepts and facilitate better understanding of the theories.

EXHIBIT 1.2 Characteristics of Effective Managers

- Self-awareness**
 - Personality
 - Values
 - Needs
 - Cognitive style
- Managing Personal Stress**
 - Time management
 - Goals
 - Activity balance
- Creative Problem Solving**
 - Divergent thinking
 - Conceptual blocks
 - Redefining problems
- Gaining Power and Influence**
 - Sources of power
 - Converting power to influence
 - Beneficial use, not abuse, of power
- Managing Conflict**
 - Sources of conflict
 - Assertiveness and sensitivity
 - Handling criticism
- Establishing Supportive Relationship**
 - Listening
 - Empathizing
 - Counselling
- Improving Employee Performance/ Motivating Others**
 - Understanding needs/expectations
 - Rewards
 - Timing
- Effective Delegation and Joint Decision-making**
 - Decision-making
 - Assigning tasks
 - Evaluating performance
 - Autonomous versus joint decision-making
- Improving Group Decision-making**
 - Chairing meetings
 - Avoiding pitfalls of bad meetings
 - Making effective presentations

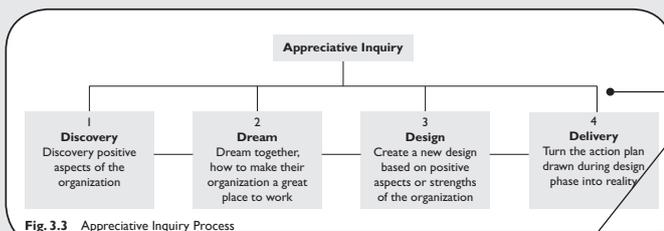


Fig. 3.3 Appreciative Inquiry Process

Figures and Tables

All chapters contain figures and tables to illustrate the topics discussed in the chapter.

TABLE 5.10 Categories of Personal Effectiveness

| S. No. | Category | Self-disclosure | Openness to feedback | Perceptiveness |
|--------|-----------------|-----------------|----------------------|----------------|
| 1. | Effective | High | High | High |
| 2. | Insensitive | High | High | Low |
| 3. | Egocentric | High | Low | Low |
| 4. | Dogmatic | High | Low | High |
| 5. | Secretive | Low | High | High |
| 6. | Task obsessed | Low | High | Low |
| 7. | Lonely–empathic | Low | Low | High |
| 8. | Ineffective | Low | Low | Low |

the Book

Sidebars

Important concepts appear as sidebars throughout the text for quick recapitulation.

Emotion is a neural impulse that moves an organism to action.

Emotions have three components: cognitive, physiological, and expressive.

differences, such as the specificity of the targets (e.g., emotions are specific and intense, and are a reaction to a particular event, whereas moods are diffused and unfocused).¹⁴ Another interesting distinction has been stated thus: 'Feelings are personal and *biographical*, emotions are *social*, and affects are *prepersonal*.'¹⁵

Emotions have three components: cognitive component, physiological component, and conative or expressive component. *Cognitive component* includes the conscious experience of emotions, and the way we 'label' our emotions. *Physiological component* includes emotional arousal. Different emotions have different arousals. For example, fear, anger, and sadness increase heart rate; anger raises blood pressure; embarrassment is shown in blushing. However, many emotions do not have a unique physiological signature; the same physiological activation occurs for many emotions. For example, fear, joy, anger, sadness, and shame are accompanied by a faster heart rate. *Expressive component* includes body language (gaze, gestures, posture, and walk), and paralanguage (intonation, faked smile versus genuine smile, etc.).

SUMMARY

Personality is the organized and consistent pattern of perception of the 'I'. There are different approaches to understanding and measuring personality. Psychometric theories identify basic traits to explain different personalities. 16 P-F and the Big Five are well-known in this regard. While the Freudian approach uses the four stages of psychosexual development, the Jungian approach has led to the wide use of the MBTI instrument. The lifestyle approach uses two personality types (Type A and Type B) that are measured from tense and relaxed lifestyles.

theory has linked six personality types to six categories of occupational groups.

A simpler approach to understanding personal effectiveness is given by the popular model of the Johari Window. However, a third dimension (perceptiveness) has been added to the two suggested by the Johari Window (self-disclosure and openness to feedback) to give eight types of personal effectiveness, which can be measured and enhanced.

Emotions and feelings are an important part of our life.

Summary

A recapitulation of key ideas and concepts that are discussed in each section is given for easy retention.

Keywords

A list of all important terms has been given at the end of every chapter for easy recapitulation.

KEY WORDS

adult ego state an autonomous set of feelings, attitudes, and behaviour patterns that are adapted to the current reality
affect a general term to cover emotions, feeling, and mood
agreeableness one's inclination to defer to others; being good-natured, cooperative, warm, caring, and trusting
child ego state a set of feelings, attitudes, and behaviour patterns that are relics of the individual's own childhood
conscientiousness one's reliability regarding responsibility; being self-disciplined, hardworking, organized, dependable, and persistent

enfoldng lifestyle oriented to the goals of tradition, stability, and inward strength
enlarging lifestyle oriented towards the goals of innovation, change, and growth
extraversion being outgoing; speaking and then thinking; relating more easily to the outer world of people and things than to the inner world of ideas
feeling subjectivity; heart; relying more on personal values than on impersonal analysis and logic
introversion being reflective; thinking and then speaking; relating more easily to the inner world of ideas than to

Exercises

A series of concept review and critical thinking questions, classroom and field projects, and group exercise tests the level of understanding of the core themes discussed in each chapter.

EXERCISES

Concept Review Questions

1. What is motivation? In which two senses is the term used?
2. What is the main contribution of Maslow's theory of need hierarchy?
3. What can management do to satisfy various level needs of workers as shown in Maslow's model?
4. What are the similarities and differences between Maslow's theory of need hierarchy and Alderfer's ERG theory? Is one superior to the other? Discuss.
5. Explain Herzberg's two-factor theory of motivation and its significance.
6. While there are similarities between Maslow's need hierarchy and Herzberg's two-factor theory, there is also an important difference. Maslow believes that the first three needs are motivators, whereas Herzberg believes they are hygiene factors. Which view do you agree with and why?
7. What is equity? How can perception of inequities be motivators? Give some examples from your own experience.
8. What are the key concepts in the expectancy theory of motivation?
9. List and discuss with examples the approach and avoidance dimensions of the three major motives.
10. Explain reinforcement theory of motivation. How can this theory be used to develop desired behaviour in organizations?

Critical Thinking Questions

1. What is the basic concept in the expectancy theories of motivation? Which expectancy theory do you see as most relevant in the Indian context and why?

contrasted with the 'high motivation' of students in well-known management institutes. Analyse the dynamics of student motivation, applying the expectancy theory of motivation.

Classroom Projects

1. Interview one of your friends and find out his or her dominant needs (motives). Are these reflected in his or her behaviour in the classroom? Explore with your friend what he or she looks for in a job.
2. Respond to the enclosed instrument and score your responses as suggested.

Field Projects

1. Interview two students to find out why they study hard (what is their main motivation). Which theory is most relevant to explain their motives?
2. Interview two executives to learn what satisfies/thrills them in their jobs, and with what aspects they are dissatisfied. Critique Herzberg's theory in the light of their responses.

Group Exercise—Old vs New Employees

Purpose

To experience and get an insight into the application of motivational theories to motivate employees in the organization.

Time Required

Approximately 75 minutes

Conducting the Exercise

- Step 1:** Divide the class into groups of five or six.
Step 2: Give the following instructions to each group:

Case Studies

Chapters end with case studies that are designed to consolidate the reader's understanding of the chapter subject.



CASE STUDY Bringing Passion to Planet Coffee Cafe

Planet Coffee Cafe (PCC) is India's favourite coffee shop for the physically young and the young at heart. Popularly known as PCC, it initiated the concept of chain cafes in India. The first one was opened in 1993 on Wilson Road in Bengaluru and continues to be one of the most happening places in the city. Many people immediately took to the place. PCC today is totally in tune with its target audience. Its strong relationship with the customers is its USP. It has been an exciting journey for PCC since then, becoming the largest organized retail cafe chain in

founding of a company that treats people with dignity and respect.

According to Kapil, PCC must be the ultimate experienced brand, brought to life by the people that are expending work in each outlet. There is no patent on the coffee that PCC serves. The only competitive advantage that the company has is the relationship it has built with its people and with each customer. In his view, customers should come into a PCC outlet and see it as an oasis.
He suggested that each outlet and each employee

Companion Online Resources



Visit india.oup.com/orcs/9780199454716 to access both teaching and learning solutions online.

Online Resources

The following resources are available to support the faculty and students using this text:

For Faculty

- Instructor's Manual
- PowerPoint Slides
- Multiple Choice Questions
- Additional Self-assessment Tests

For Students

- Flashcard Glossary
- Additional Reading Material

Steps to register and access Online Resources

Resources for instructors and students are developed to complement each textbook and vary from book to book.

| | |
|--|--|
| <p>Step 1: Getting Started</p> <ul style="list-style-type: none"> • Go to india.oup.com <p>Step 2: Browse quickly by</p> <ul style="list-style-type: none"> • BASIC SEARCH <ul style="list-style-type: none"> ○ AUTHOR ○ TITLE ○ ISBN • ADVANCED SEARCH <ul style="list-style-type: none"> ○ KEYWORDS ○ AUTHOR ○ TITLE ○ SUBTITLE ○ PUBLICATION DATE <p>Step 3: Select title</p> <ul style="list-style-type: none"> • Select Product • Select Online Resources  <p>Step 4: View Resources</p> <ul style="list-style-type: none"> • Click on "View all resources" <p style="text-align: center;">View all resources</p> | <p>Step 5: Sign in with your Oxford ID</p> <div style="border: 1px solid #ccc; padding: 10px; margin-bottom: 10px;"> <p style="text-align: center;">Sign in with your Oxford ID</p> <p style="text-align: center;">I am a returning user</p> <p>Please sign in</p> <p>Enter username <input type="text"/></p> <p>Password <input type="password"/></p> <p style="text-align: center;"><small>Forgot your password?</small></p> <p style="text-align: center;">Sign In</p> </div> <p>Step 6: if you do not have an Oxford ID, register with us</p> <div style="border: 1px solid #ccc; padding: 10px; margin-bottom: 10px;"> <p>Personal Details</p> <p>Name <input type="text"/></p> <p>Email Address <input type="text"/></p> </div> <p>Register for an Oxford ID</p> <p>User Name <input type="text"/></p> <p>Password <input type="password"/> <small>Must be at least 8 characters and should include at least one capital letter, lower-case letter and number.</small></p> <p>Confirm Password <input type="password"/></p> <p><input type="checkbox"/> Do you accept the terms and conditions?</p> <p style="text-align: center;">Continue</p> |
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Preface to the Fourth Edition

The study and practice of organizational behaviour (OB) has become all the more pertinent in this era of continuously changing global business scenario. The dramatic developments in the business environment over the years have created new challenges for organizations, thus making it significant for them to focus on hiring, motivating, and retaining the finest employees. As a field of study, organizational behaviour has progressed to a great extent and gained importance as employees with diverse backgrounds and cultural values work together successfully and resourcefully.

This fourth edition of *Understanding Organizational Behaviour* preserves its process-oriented approach as well as lucid style, which have made it a popular text for students of management courses. New sections, such as OB model, organizational stress, roles played in a game, conflict process, and methods of communication have been included. For better understanding of various theories that form the basis of OB, group exercises have been incorporated in each chapter. The concepts have been further explained through new case studies and exhibits.

The relevance of organizational behaviour for developing countries, mainly India, continues to be the emphasis of the book and is highlighted throughout. This edition improves upon the coverage of the original edition, making the text more comprehensive and well structured.

New to This Edition

- New chapters on dynamics of group behaviour and effective work teams
- New sections on OB model, organizational stress, roles played in a game, conflict process, methods of communication, job characteristics model, and forces responsible for organizational change
- Group exercises in all the chapters for users to understand the application of OB concepts
- New exhibits, illustrations, and case studies
- Additional multiple-choice questions for practice, flashcard glossary, additional reading material, and additional self-assessment tests in the Students' Resource website

Online Resources

The following resources are available to support the faculty and students using this text.

For Faculty

- Instructor's Manual
- PowerPoint Slides
- Multiple Choice Questions
- Additional Self-assessment Tests

For Students

- Flashcard Glossary
- Additional Reading Material

Organization of Content

The content of the book has been divided into five parts.

Part I: Introduction

Chapter 1 provides an introduction and overview of OB as well as the various trends and processes that influence it. Chapter 2 covers implications of flattening of the globe, social responsibility and

ethics, employee retention, employee engagement, employee productivity, and talent management. Chapter 3 focuses on the two main perspectives underlining OB in this century—one of them is a shift towards positive thinking and behaviour.

Part II: The Individual

Chapter 4 discusses the various factors such as physical, psychological, organizational, and environmental that can affect individual behaviour. Chapter 5 includes a discussion on FIRO-B, and also introduces the concept of transactional analysis (TA) to students. The various learning theories and their implications for improving the learning process are covered in Chapter 6. Chapter 7 discusses theories of motivation, including theory X and theory Y, and the organizational application of the same. Chapter 8 discusses workplace motivation and the various theories related to it. The perceptual process, and attitudes and values have been dealt in Chapters 9 and 10, respectively. Chapter 11 explains the concept of internality and optimism. It also discusses rumination and its effects.

Part III: The Role

Chapter 12 has been made concise and includes sections on role as an integrating concept between individuals and organizations, the dynamics of the roles, role effectiveness, role conflicts, role efficacy lab, and role negotiation. Chapter 13 discusses the effects of frustration, stress, and burnout on employee performance and productivity. It also explains the strategies of coping with role stress. Chapter 14 examines the rationality model and its limitations, various individual decision-making styles, and the process of consensus building. Chapter 15 provides a detailed discussion on transactional analysis. A section on managerial roles has also been included to provide an integrated approach.

Part IV: The Team

Chapter 16 discusses the importance of groups in an organization by covering sections on group types, processes, norms, cohesiveness, loafing, and decision-making techniques. The differences between teams and groups, as well as the various factors that contribute to building effective teams have been explained in Chapter 17. Chapter 18 deals with functional and dysfunctional conflict styles of conflict management processes and steps in negotiation. Chapter 19 distinguishes between functional and dysfunctional forms of competition. It discusses the roles of perceived power, trust, and the nature of goals in the dynamics of collaboration. Chapter 20 discusses the various theories of leadership as well as explores the paradigm shift in the areas of leadership, leaders of tomorrow, processes, mechanisms, and some models of leadership development.

Part V: The Organization

Chapter 21 discusses the various determinants of organizational structure. It also examines new forms of organizations. Chapter 22 examines communication as a process, and also discusses communication networks and methods, prevention of communication distortion, and various forms of organizational communication. Chapter 23 delves into the concept and bases of power and organizational politics. Chapter 24 examines the various dimensions of organizational climate and suggests interventions to improve organizational culture and climate. Chapter 25 discusses organizational learning and learning organizations. It also examines the role of policy in promoting organizational learning. Chapter 26 discusses the main roles in change management and suggests ways of ensuring effective implementation. It also explores the various aspects of OD and suggests guidelines for effective OD.

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Sushama Khanna

Preface to the First Edition

People have always been regarded as important in managing organizations. Their centrality has become sharper in today's changing world. There is widespread realization that while other resources (material, technology, finance, etc.) can be bought and acquired, human processes (commitment of employees, organizational culture, managerial styles, etc.) cannot be brought into an organization from outside. Human aspects are critical in each functional area of management, and equally so for the effective utilization of resources. In view of this, the study of organizational behaviour (OB) has assumed great importance. Organizational behaviour, as a discipline, therefore, is included in management studies as well as in courses of specialized education, such as medicine, agriculture, engineering, technology, entrepreneurship, and development studies.

While several good textbooks on OB are available from the West, mainly from the USA, they do not address some relevant problems of developing countries. Furthermore, the examples cited in these books are from Western companies and organizations. Organizations in the developing world are facing several challenges today. The young people who join organizations in developing countries wonder how they can remain rooted in their own cultures, while helping their organizations become global. For example, which aspects of the Indian culture should be retained, nurtured, and adopted in the managerial practices to make them effective, and which aspects (that are dysfunctional) should be changed and how? In other words, they need to know how to make organizations 'indigenous' as also how to develop a counter-culture which will change the dysfunctional aspects of the culture.

With increasing competition, disappointing political leadership, and a shrinking job market, people in developing countries are becoming cynical, pessimistic, and negative in their outlook. This mindset needs to be changed. People in organizations must develop positive attitudes and values. The available OB books do not pay attention to these aspects.

Organizational behaviour can be better understood after one first experiences various OB phenomena, and then examines them against a conceptual framework. This way students can discover the depth of OB concepts rather than merely acquiring theoretical knowledge from external sources.

About the Book

This book, designed specifically for management students, is an attempt to respond to a long-standing need for a textbook written primarily from the perspective of a third-world country, and particularly, in the Indian context. Managers as well as would-be managers of these countries would also find this book useful as it would help in preparing them to meet the challenges faced by organizations.

The human process, hitherto a neglected aspect in OB, is the unique feature of this book, since the focus on process orientation forms the basis of understanding the subject. This approach is emphasized in the book as it is important to understand some aspects of the changing social and

economic context in which organizations function. This volume discusses OB in a context of the emerging issues in the societies of developing countries and in relation to all the organizational units: the individual, the role, the team, and the organization.

Contents and Structure

The book is divided into five sections. The first section discusses the context in which organizations function and which have implications for organizational behaviour. Here, the first and opening chapters are devoted to the human process to provide the basis of understanding OB. Process orientation is important to understand some aspects of the changing social and economic context in which organizations function. This is briefly covered in Chapter 2. Given their importance, the third chapter focuses on the society in which the organizations work and its culture. Then we have two main perspectives underlining organizational behaviour in this century—one of them is a shift towards positive thinking and behaviour (Chapter 4).

The second section emphasizes the second main perspective—learning as an important condition for effectiveness (Chapter 5). The other important topics in this section are motivation, perception, basic orientation, personality, personal effectiveness, attitudes and values, and styles of working with people.

The third section is devoted to the understanding of the role as an integrating concept between individuals and organizations, the dynamics of the roles, role effectiveness, enhancing commitment of individuals, role conflicts, coping with frustration and stress, leadership styles, and decision-making.

The fourth section covers the team and its dynamics, including interpersonal communication, conflict management, and developing collaboration and leadership for tomorrow.

The fifth and final section deals with the dynamics of organization as a total system, its climate and culture, organizational communication, organizational learning and learning organizations, managing change in organizations, and continuous self-renewal of organizations, which is known as organization development.

Pedagogy

In order to help the students ‘experience’ some OB phenomena, students are required to complete (answer) some instruments and participate in some exercises (games) before they study some chapters. Each chapter has review questions to help the students recollect the main concepts discussed in the chapter. Additional questions have also been included to stimulate creativity in students.

Students would be able to internalize the concepts by applying them in practice. The chapter-end classroom and field projects to be performed through activities, preferably in groups, provide opportunity for such practice. These projects will help the students internalize learning by critically examining concepts in the classroom setting and then by applying them in real-life situations. The topics covered (a) are action-oriented, so that students can apply the concepts, (b) are embedded in known, established theories, and (c) relate to new developments (e.g., positive approach).

Each section has a glossary of the main terms used for quick reference. There are two types of questions at the end of most chapters—review questions to help the students review their learning of the concepts, and critical thinking questions to help them integrate the concepts with their previous learning.

To integrate the learning of an organizational unit (individual, role, team, organization), a comprehensive case study has been given at the end of each section, with study questions. These case studies (actual significant experiences) will help the students see how the various concepts discussed in the sections are interrelated and integrated in life.

Although it meets the needs of the current syllabi of various institutions and universities, the book includes many other important aspects of OB, thus suggesting a different approach for the bodies designing OB curricula.

The book is accompanied by an instructor's manual, which offers general guidelines on teaching OB and use of various methods to enhance students' learning of OB concepts in the classroom.

I hope that readers will find this book useful for the varied purposes for which the contents have been envisaged.

Acknowledgements

I acknowledge the contributions made by my students at IIM Ahmedabad and other institutions where I taught many of the topics included in the book as well as by the participants of various management development programmes I conducted.

I am grateful to the anonymous reader of the manuscript for very useful comments and suggestions, which helped me to redesign some parts of the volume. I would like to mention the invaluable support of my secretary Binil K. Nair for his patient typing and retyping of the text and preparation of glossaries, references, etc. In spite of some personal problems and inconvenience, Binil was always available for help.

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8. Indian Journal of Industrial Relations for some material in Chapter 6
9. Indian Journal of Social Work for Chapter 26
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PART I

Introduction

- 1. Introduction to Organizational Behaviour**
- 2. Changing Context**
- 3. Positive Perspective**

Oxford University Press

Introduction to Organizational Behaviour

Learning Objectives

After studying this chapter, you will be able to

- understand the importance and scope of organizational behaviour (OB)
- discuss the conceptual foundations of OB
- appreciate the historical roots of and Indian contributions in the field of OB
- distinguish intra-person, inter-person, and role processes
- identify group, inter-group, and organizational processes
- understand organization–environment interface and societal processes

Technology has been changing at an unprecedented rate over the last century. Changes that would take place in the past in about a century are now happening in about a decade. These changes have impacted various aspects of human life, with deep implications for the management of organizations. With possibilities of virtual groups and virtual organizations, a manager's job has become more challenging than ever before. These changes are also affecting the relationship of organizations with their members (persons working for the organizations). More and more, there is movement towards a contractual relationship rather than the traditional employer–employee relationship. Organizations are in continuous flux, and their structures are undergoing change almost every third or fourth year. Speedy action and decision-making have become extremely important. Such changes are affecting the stock markets as well. In this context, the importance of human processes has increased tremendously.

THE ORGANIZATION AND THE MANAGERS

An organization is an entity where the members work together to achieve a goal or a common purpose. Examples of organizations could be hospitals, colleges, factories, farms, and government offices.

People who work in an organization are central to its functioning. An organization needs to have a defined objective in order to survive in the long run, and to work towards this objective some processes need to be in place.

Management looks at the organization mainly from an instrumental point of view. For a company, the organization basically works to meet its goals: create value for its stakeholders

(stockholders, employees, customers, suppliers, and community). It is important for any organization to have the main pillars of management: planning, organizing, leading, and controlling. A manager must perform all these functions with assurance.

MANAGERIAL ROLES

The manager occupies a significant position in an organization. Those working with him (seniors, peers, and subordinates) expect the manager to perform certain functions. Henry Mintzberg was the first person to use and elaborate the term 'managerial roles'. By 'role' he understood 'a set of certain behavioural rules associated with a concrete organization or post'. The roles fall under three groups: interpersonal, informational, and decisional. Mintzberg has identified 10 roles common to the work of all managers. Exhibit 1.1 gives details about these managerial roles.¹

Interpersonal Roles

Three interpersonal roles are primarily concerned with interpersonal relationships. In the figurehead role, the manager represents the organization in all matters. While the top level managers represent the company in the outer world, the supervisors interface between the higher management and the work group, by representing one to the other.

In the leader role, the manager ensures motivation and growth of the employees. While the top managers give vision and inspire through examples, the supervisors meet the psychological needs of the employees and reward them for their good work.

The three interpersonal roles are figurehead, leader, and liaison.

In the liaison role, the manager interacts with peers and people outside the organization. While the top level managers act like a window, using the liaison role to get significance and lobby for the organization, the supervisors use it to maintain the routine flow of work.

Informational Roles

The three informational roles (Exhibit 1.1) are primarily concerned with the information aspects of managerial work. In the monitor role, the manager uses information to keep track of the progress towards the goals of the organization. While the managers at the top level collect important information for the entire organization, the supervisors do so for their units/departments.

In the role of a disseminator, the manager transmits information to the concerned persons in the organization. While the managers at the top level get and transmit more information from outside, the supervisors collect information relevant for their units/departments, and disseminate it among their people.

In the role of spokesperson, the manager disseminates the organization's information into its environment. While the managers at the top level function as industry experts, the supervisors are seen as unit/departmental experts.

Decisional Roles

Decisional roles equip the managers well for decision-making. There are four decisional roles. In the entrepreneur role, the managers at the top level look for opportunities internally and externally, and initiate change; the supervisors design the details of the projects.

EXHIBIT I.1 Managerial Roles**Interpersonal Roles**

| <i>Role</i> | <i>Description</i> | <i>Identifiable activities</i> |
|-------------|--|--|
| Figurehead | The symbolic head who is required to perform a number of routine social or legal duties | Ceremony, status requests, and solicitations |
| Leader | Responsible for motivating and activating subordinates as well as for staffing and associated duties | Virtually all managerial activities involving subordinates |
| Liaison | Maintains a self-developed network of outsiders and contacts who provide favours and information | Acknowledgments of mail, external board work, and other activities involving outsiders |

Informational Roles

| <i>Role</i> | <i>Description</i> | <i>Identifiable activities</i> |
|--------------|--|--|
| Monitor | Seeks and receives wide variety of special and current information to develop thorough understanding of the organization and the environment so as to be the nerve centre of internal and external information of the organization | Handing mail and contracts concerned with receiving information, including periodical news and observational tours |
| Disseminator | Transmits information received from outsiders and subordinates to organization members, some of it being factual, some involving interpretation and integration of diverse value position of organizational influencers | Forwarding mail into the organization for informational purposes, verbal contracts involving information flow to subordinates, such as review sessions and instant communication |
| Spokesperson | Transmits information to outsiders about organization plans, policies, actions, and results and serves as an expert about the organization's industry | Board meetings, handling mail and contracts involving the transmission of information to outsiders |

Decisional Roles

| <i>Role</i> | <i>Description</i> | <i>Identifiable activities</i> |
|---------------------|---|--|
| Entrepreneur | Searches internally and externally for opportunities, initiates improvement projects to bring about change, and supervises the design of certain projects | Strategy and review session involving initiation or design of improvement projects |
| Disturbance handler | Responsible for corrective action when the organization faces important, unexpected disturbances | Strategy and review sessions involving disturbances and crises |
| Resource allocation | Responsible for the allocation of resources, thereby making or approving all significant decisions | Scheduling, requesting authorization, budgeting activities, and programming subordinates' work |
| Negotiator | Responsible for representing the organization at major negotiations | Negotiation |

In the disturbance handler role, the manager deals with threats to the organization. While managers at the top level are alert to important, unexpected disturbances and take necessary corrective action, supervisors alert the top managers of new developments, and support them in coping with such developments.

The four decisional roles are entrepreneur, disturbance handler, resource allocator, and negotiator.

In the resource allocator role, the manager wisely decides who needs when and how much to work for achieving the goals. While the managers at the top level are concerned with allocation of resources among the units/departments, the supervisors are involved in optimum utilization of available resources.

In the negotiator role, the manager negotiates on behalf of the organization. While the managers at the top level negotiate with significant external agencies about resources and marketing support, as well as with their units/departments about productivity, supervisors do the same with their top management (for resources and support) and their people for results.

In all these roles, the managers at the top level focus on the total organization and the environment, and take a long-term view, while supervisors are more focused internally and have a short-term view.

A number of studies have tested Mintzberg's theory and the evidence generally supports Mintzberg's roles. However, it has been found that the roles change depending on the hierarchical position of the manager, and especially the distinction as to whether they manage people to complete tasks, or set the direction for task completion. For example, the roles of disseminator, liaison, figurehead, negotiator, and spokesperson are practised more at higher levels than at lower-level management.

After studying 450 managers, Luthans and his colleagues defined four managerial roles:²

1. Traditional management—decision-making, planning, and controlling
2. Communication—exchanging routine information and processing paperwork
3. Human resource management—motivating, disciplining, managing conflict, staffing, and training
4. Networking—socializing, politicizing, and interacting with outsiders

Then they studied the percentage of time spent by each category of managers on the managerial roles. These are shown in Table 1.1.

TABLE 1.1 Time Spent on the Managerial Roles and Effectiveness Levels

| Activity | Percentage of time | | |
|------------------------|--------------------|---------------------|--------------------|
| | Average managers | Successful managers | Effective managers |
| Traditional management | 32 | 1 | 19 |
| Communication | 29 | 3 | 44 |
| HR management | 20 | 2 | 26 |
| Networking | 19 | 8 | 11 |

MANAGERIAL FUNCTIONS

As noted earlier, managerial roles are the clusters of functions that the role occupant (manager) is expected to perform by the role senders (subordinates, senior people, colleagues, and self). Similarly, managerial functions are the cluster of activities that a manager performs to fulfil the main obligations (roles).

Henry Fayol was the first to propose the concept of managerial functions. Fayol has been described as the father of modern operational management theory. He suggested that management should be viewed as a process, and argued that ‘to manage means to forecast and plan, to organize and give orders, to coordinate and control’.³

Fayol was one of the most influential contributors to the modern concepts of management. He proposed the following five primary functions of management:

1. Planning—projecting the future and preparing action plans
2. Organizing—designing the structure of the organization
3. Commanding—maintaining activity among the employees
4. Coordinating—unifying and harmonizing activities and efforts
5. Controlling—seeing that everything occurs in conformity with policies and practices

Many of today’s management texts⁴ have reduced the five functions to four, as shown in the following text:

1. Planning—deciding what needs to happen in the future (today, next week, next month, next year, over the next five years, etc.) and generating plans for action
2. Organizing—making optimum use of the resources required to enable the successful carrying out of plans
3. Leading/motivating—getting others to play an effective part in achieving plans
4. Controlling/monitoring—checking progress against plans, which may need modification based on feedback

There are several differences in roles and functions. While roles are more relational, functions go beyond interpersonal relations. In roles, the manager interfaces with several other role occupants. Roles involve expectations of others and require managers to respond to those expectations. On the other hand, functions such as planning, decision-making, etc. may not necessarily involve working with others, and several managerial functions can be performed without communication with people.

Functions also may cut across several roles. In that sense, functions represent broader characteristics. For example, the function of motivating is involved in several roles such as leader role, resource allocator, etc.

It has been suggested that while roles answer the question ‘how to interface with other people to reach our goals?’, functions answer the question ‘what do you do to accomplish our goals?’

Roles are more relational; functions go beyond interpersonal relations.

Managerial Competencies

Managers need to have some competencies (skills, attitudes, orientation, knowledge, etc.) to perform various functions expected of them. Katz was the first to suggest three groups of competencies required for management: conceptual competencies, human competencies, and technical competencies. Katz called them skills. We shall use the term ‘competency’ as it has been currently accepted. According to Katz, while all managers need competencies, their importance is related to the level of management. This is shown in the figure, originally suggested by Katz (Fig. 1.1).⁵ This shows that while senior management needs conceptual competencies, management at the lower level need more technical competencies.

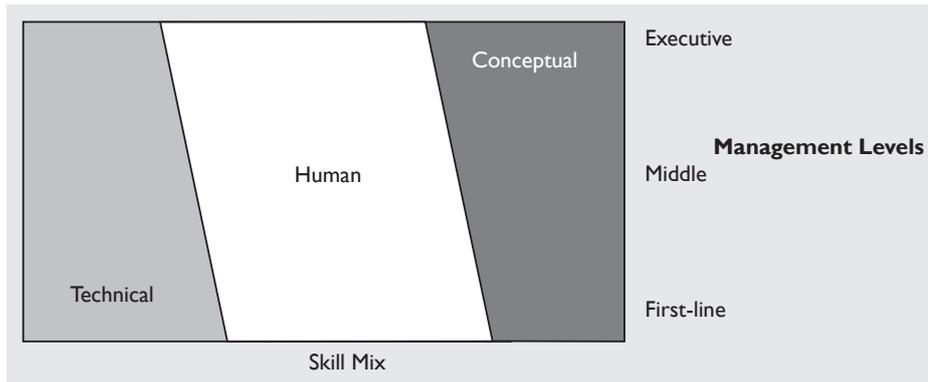


Fig. 1.1 Katz Model of Managerial Competencies

Technical competencies require knowledge of a particular technology and proficiency in the use of the techniques. Managers need to have knowledge of techniques as well as skills of using it.

Human competencies involve working effectively with people and getting their cooperation and commitment. These also involve inspiring people, and helping them to recognize and use their strengths.

Conceptual competencies involve working with ideas. In order to have insight into a problem, managers need to have an understanding of the ideas, their relationships, and different patterns of the combination of ideas (generally called theory).

As already stated, the importance of the three categories of competencies is related with the level of management. Lowest level of management deals with techniques and specific work to be done. So, technical competencies are more important for them. For middle-level managers, human competencies are more important, because they need to inspire people and get their commitment to achieve the organizational goals. The managers at top level require conceptual competencies to think of different ways of formulating problems and searching alternative solutions. They also work for the future development of the organization. All these require conceptual strength.

Competencies differ from personality traits (e.g., hardiness), motives (e.g., power, need), roles (e.g., supervisor), and functions (e.g., planning). Competencies are the requirements for effectiveness of a role. Competencies include knowledge, skills, attitudes, etc. A managerial competency involves a sequential pattern of behaviours performed in order to achieve a desired outcome.⁶

Based on a study of a sample of about 400 managers, Whetten and Cameron identified competencies of effective managers. After comparing their results with other well-known authors on management competencies, they summarized characteristics of effective managers, which are shown in Exhibit 1.2.⁷

Competencies are the requirements for effectiveness of a role.

THE ORGANIZATION AND THE INDIVIDUAL

Although people were always regarded as important in managing organizations, their centrality has become sharper in today's changing world. While it is much easier to buy technology and to borrow and get resources, both financial and material, it is impossible

EXHIBIT 1.2 Characteristics of Effective Managers**Self-awareness**

- Personality
- Values
- Needs
- Cognitive style

Managing Personal Stress

- Time management
- Goals
- Activity balance

Creative Problem Solving

- Divergent thinking
- Conceptual blocks
- Redefining problems

Gaining Power and Influence

- Sources of power
- Converting power to influence
- Beneficial use, not abuse, of power

Managing Conflict

- Sources of conflict
- Assertiveness and sensitivity
- Handling criticism

Establishing Supportive Relationship

- Listening
- Empathizing
- Counselling

**Improving Employee Performance/
Motivating Others**

- Understanding needs/expectations
- Rewards
- Timing

**Effective Delegation and Joint
Decision-making**

- Decision-making
- Assigning tasks
- Evaluating performance
- Autonomous versus joint decision-making

Improving Group Decision-making

- Chairing meetings
- Avoiding pitfalls of bad meetings
- Making effective presentations

to buy human processes (such as faster decision-making, effective negotiation, strategy formulation, and leadership development). Our understanding of human dynamics has thus become more complex as well as more crucial. This is the focus of organizational behaviour (OB), which can be defined as an interdisciplinary behavioural science studying phenomena related to the dynamics (processes) of organizations and their various human units (individuals, roles, dyads, teams, inter-teams, organizations, and the organization–environment interface).

Human processes concern not only individual employees and other members associated with organizations, but are also related to other human units of an organization. Individuals come to work in an organization and get integrated (or remain alienated) as per the roles they occupy in the organization. The roles, therefore, require separate attention.

Individuals do not work in isolation. The smallest unit in an organization is a dyad (two-member groups consisting of an employee and a supervisor). For most tasks, people work in teams. Enough attention, therefore, needs to be given to the formation of teams, their dynamics, and ways of making them more effective. The effectiveness of an organization also depends on inter-team collaboration—the collaboration of teams in an organization with other internal teams as well as with external teams. Each organization has its own dynamics: its culture, its climate, the process of its development and decay, and the process of its turnaround or dissolution. The

Organizational behaviour can be defined as an interdisciplinary behavioural science which studies phenomena related to organizations and their human units.

organization also deals with the external environment. Its interface with the environment requires an understanding of political dynamics so that it can not only adapt itself to the changing environment, but can also impact and ‘shape’ the external environment.

OB AND THE BEHAVIOURAL SCIENCES

Organizational behaviour is concerned with this whole gamut of units (individuals, roles, dyad, teams, and entire organizations) and interfaces (interpersonal, inter-team, and organization–environment). Each of these aspects deserves independent understanding and study, so that interventions can be designed and implemented to make organizations more effective.

The conceptual foundations of OB are anchored in the behavioural sciences of psychology, sociology, anthropology, and political science.

This wide range of concerns necessitates drawing on knowledge from several fields, especially from the behavioural sciences, and applying this knowledge meaningfully. The conceptual foundation of OB is multidisciplinary. While an understanding of individual dynamics is helped by the study of psychology (psychodynamics, cognitive studies, human psychology, social psychology, etc.), a proper understanding of roles and groups is provided by sociology. Merton, in particular, has contributed much to the understanding of roles, later taken up by other scholars. Group

dynamics, including the study of conflict and collaboration between groups, has been a major contribution of sociology and social psychology. Sherif and Sherif⁸ have done pioneering work in this area. The study of the culture, values, and functioning of unique groups has been the main contribution of anthropology. Issues of power and politics are studied in political science. Table 1.2 shows the respective sources of OB topics for different organizational units.

Psychology

Psychology is a branch of science that deals with mental processes and behaviour, that is, the way the human mind works. Psychologists study motives, reactions, feelings, perception, cognition, attention, emotion, motivation, personality, and interpersonal relationships, among other things.

Sociology

Sociology is the study of society, human social interaction, and the rules and processes that govern people as individuals and as members of associations, groups, and institutions. It is a social science that, with the help of empirical techniques and critical analyses, develops a scientific knowledge and theory about human social activity, often with the goal of applying such knowledge to the pursuit of social welfare. This broad discipline, in general, focuses on social stratification (i.e., class relations), religion, secularization, modernity, culture, and deviance. Sociology uses both qualitative and quantitative research techniques in its approach to the study of various social phenomena, known as social network analysis.

Anthropology

The ‘science of humanity’, anthropology encompasses a broad range of studies including the evolutionary history of human beings and features of different societies, cultures, and

TABLE 1.2 Behavioural Science Sources of OB Topics

| Organizational unit | Topic | Relevant behavioural science |
|------------------------------|------------------------------|------------------------------|
| <i>Individual</i> | Motivation | Psychology |
| | Perception | Psychology |
| | Personality | Psychology |
| | Personal effectiveness | Psychology |
| | Decision-making | Psychology |
| | Interpersonal styles | Psychology |
| | Attitudes | Psychology |
| <i>Role</i> | Role effectiveness | Sociology and Psychology |
| | Leadership | Sociology and Psychology |
| | Work motivation | Sociology and Psychology |
| | Role stress and burnout | Sociology and Psychology |
| | Coping | Sociology and Psychology |
| <i>Teams and inter-teams</i> | Team effectiveness | Psychology |
| | Interpersonal communication | Psychology |
| | Conflict management | Psychology |
| | Consensus-building | Psychology |
| | Developing collaboration | Psychology |
| <i>Organization</i> | Organizational culture | Psychology |
| | Organizational climate | Psychology |
| | Organizational communication | Psychology |
| | Organizational learning | Psychology |
| | Organizational change | Psychology |
| | Organizational development | Psychology |
| | Power and politics | Political science |
| | Cross-cultural organizations | Anthropology |
| <i>Context</i> | Societal culture | Anthropology |
| | Values | Anthropology |
| | Positive thinking | Psychology |
| | Learning | Psychology |

human groups. Some of the basic concerns of anthropology are: What are the physical traits of humans?; How do humans behave?; Why are there variations and differences among different groups of humans?; How has the evolutionary past of *Homo sapiens* influenced its social organization and culture?; and so forth.

Political Science

This branch of social science deals with politics in its theory and practice, and the analysis of various political systems and political behaviours. It helps us to understand the dynamics

of power and politics within organizations, since there is usually a hierarchical structure of different levels of managers and subordinates.

We thus see that the conceptual foundations of OB are anchored in the behavioural sciences of psychology (including social psychology, clinical psychology, and industrial psychology), sociology, anthropology, and political science. We have drawn on the major theories of these sciences. The premise in this book is that we cannot understand the dynamics of individuals, roles, teams, or organizations without understanding the relevant basic processes. Unfortunately, organizational process has remained rather a neglected aspect of OB until now. This volume therefore emphasizes the importance of organizational process, which we will discuss in the later part of the chapter.

EVOLUTION OF OB

Since OB is an interdisciplinary study, scholars and practitioners should be aware of the evolution of this new field, including the rich origins of relevant thoughts and practices in many cultures across the world.

In the West, the importance of OB can be traced to early twentieth century in Europe and the US. The leading contributors in the evolution of OB are discussed next.

Robert Owen

Robert Owen, a British industrialist of the early nineteenth century, attended to the various needs of workers: he improved working conditions, prevented child labour, shortened working hours, and provided meals for employees. In that same century, the German psychologist Munsterberg and the American scholar Mary Follett wrote about the importance of motivation, participation, and democracy. However, these pioneering attempts and ideas remained largely neglected until the 1930s.

Fredrick Taylor

It was in the US that OB flourished early. At the turn of the twentieth century, Fredrick Taylor popularized the concept of scientific management using studies of time and motion. There was little concern for the human aspects. The main emphasis was on the manipulation of the workplace. Although these studies contributed to the development of industrial psychology, the human dimensions were neglected.

Hawthorne Studies

The beginning of OB may be said to lie in the 'Hawthorne studies' (Exhibit 1.3). In 1924, at the Hawthorne works of the Western Electric Company, USA, studies were being conducted to determine the effect of the intensity of light on productivity.⁹ Productivity increased under both conditions of increasing and decreasing intensity of light. This was a baffling finding. The researchers then investigated the effect of rest pauses, with the same result: productivity increased under each trial. The chance findings of these Hawthorne studies matched with the workers' preferences of factors influencing productivity: these were size of group, supervisory behaviour, earning, novelty of situation, workers' interest in the experiment, and attention received. Thus, for the first time, the importance of 'behavioural' factors was discovered, and that too by chance.

EXHIBIT 1.3 The Hawthorne Studies

During 1924 and 1927, a series of studies relating to illumination level was conducted by the industrial engineers of Western Electric. One of the studies, conducted at the Hawthorne Works of the Western Electric Company in Cicero, Illinois, aimed at finding out the optimum level of lighting required for productivity.

In the first experiment, there was no control group. The researchers experimented on three different departments, where all showed an increase of productivity. In the second study, a control group had no change in lighting, while the experimental group got a sequence of increasing light levels. The outcome of the study was that both groups substantially increased their productivity, and there was no difference between the groups. This naturally piqued the researchers' curiosity.

In the third study, the researchers decided to see what would happen if they decreased lighting. The control group got stable illumination, while the other got a sequence of decreasing levels. Surprisingly, both groups steadily increased productivity until finally, the light in the experimental group got so low that they protested and production fell off.

The fourth study was carried out specifically on two women. It was found that under widely varying light levels their productivity remained constant. In addition, if the researcher said bright was good, they said they preferred the light; if he said dimmer was good; they said they preferred it. Thus the researchers concluded that the workers' preference on lighting level was completely subjective.

At this point, researchers of Western Electric realized that something else besides lighting was affecting the productivity. They presumed that the supervision of the researchers had some effect, so they ended the illumination experiments in 1927. Finally it was concluded that any kind of change to the routine work increased productivity or performance of employees.

Subsequently in 1927, the Harvard professor Elton Mayo, along with his associates, joined as consultant in order to further the research study. The experiments started again and lasted till 1932. These experiments consisted of redesigning jobs, changing workday and workweek lengths, providing additional rest times, and studying the factor of wage changes.

Source: <http://www.referenceforbusiness.com/encyclopedia/Gov/Inc/Hawthorne-Experiments.html>, accessed on 6 September 2014.

Human Relations Movement

The Hawthorne studies led to the human relations movement, which started in the 1950s. Its main emphasis was on the social environment to which people responded. It advocated that people were motivated more by social rather than economic needs. McGregor and Maslow became the main proponents and figureheads of the human relations movement. McGregor¹⁰ is famous for his classification of managerial behaviour into two contrasting categories, called Theory X and Theory Y. Maslow¹¹ is famous for his theory of motivation (hierarchy of needs), which we shall discuss in Chapter 7.

VARIOUS TRENDS IN OB

OB has been influenced by the following trends:

- The systems approach
- The socio-technical system approach
- The democratic approach
- The contingency approach
- The interactional approach

The Systems Approach

The systems theory views organizations as complex systems consisting of interrelated elements functioning as a whole. The various units (human, material, information, and

finance) interact with each other to produce products and profits; they do not function in isolation.

The Socio-technical System Approach

Important work was done in England at the Tavistock Institute. The term ‘socio-technical system’ was coined there. Researchers and practitioners at the institute demonstrated that the technology of production was a major determinant in the organization of firms. It was demonstrated that technology would greatly influence the culture and structure of the organization. Trist and his colleagues of the Tavistock Institute demonstrated that changing technology from small-group work to three-shift working had a disruptive effect on workers’ output and productivity.¹² This approach influenced OB also in the US. Exhibit 1.4 discusses the socio-technical system at Toyota.

The Democratic Approach

Emphasis on democracy in the political field influenced thinking in all other aspects of life. Importance was given to democracy in the workplace, human dignity was valued, and participation and involvement of employees was seen as a good in itself, as well as a means of increasing productivity.

The Contingency Approach

Instead of insisting on a universal solution as the best way of doing things, the contingency approach came to be more widely accepted. According to this approach, the appropriate managerial behaviour in a situation depends on the elements of that situation. We shall discuss this approach in Chapter 20.

EXHIBIT 1.4 Socio-technical System Approach at Toyota

A good example of *socio-technical system* is the Toyota Production System (TPS). A well-integrated system combining the management philosophy and practices of Toyota, TPS is designed for the automobile industry to organize logistics of manufacturing including interaction with suppliers and customers. The system came into existence between 1948 and 1975 and was called ‘Just in Time Production’ by the founder of Toyota, Sakichi Toyoda, his son Kiichiro Toyoda, and an engineer, Taiichi Ohno. All three of them were inspired greatly by the work of W. Edwards Deming and the writings of Henry Ford, the don of automobile industry. The assembly line and mass production by Ford in the United States did not appeal to them. It was the system of an automatic drink re-supplier which gave them an idea for TPS. This happened while they were shopping in a supermarket and observed that a drink given to a customer was immediately replaced by another drink for the next customer.

Toyota Production System started with the main objectives to keep down overburden and inconsistency, and to eliminate waste. The TPS has been compared to squeezing water from a dry towel, that is, it is a system that can take care of thorough waste elimination—waste here refers to anything that impedes the production process and does not increase added value. Toyota was thus able to greatly reduce time and cost using the TPS while improving quality. This system undoubtedly made Toyota to become one of the ten largest companies in the world. Toyota’s profits are equivalent to the profits of all the other car companies combined, and it became the largest car manufacturer in 2007.

Looking at the success of Toyota, many companies in different sectors, including construction and health care, have tried to emulate the TPS in varying degrees in their organizations.

Source: http://en.wikipedia.org/wiki/Toyota_Production_System, accessed on 6 September 2014.

The Interactional Approach

Generally, there is a tendency to search for cause-and-effect relationships (what causes what), so that the ‘causes’ can be influenced to manipulate the effects. The interactional approach suggests that the relationship is not simple and one-way: there is continuous interaction between the so-called ‘causes’ and ‘effects’ and the ‘effect’ can also become a cause. For example, it is believed that employee attitudes influence their perception of work. But the employees’ experience at work may also modify or shape their attitudes. There is a continuous interaction between the two.

OB IN INDIA

Four developmental trends have contributed to the evolution of OB in India.

Applied Behavioural Sciences

The first trend was the increase in the scope of applied behavioural sciences (ABS). While education and social anthropology were always ‘applied’ sciences, departments of applied psychology were established in Kolkata (then Calcutta) and later in other universities. Applied psychology was, however, still confined to clinical, industrial, and educational psychology. Some departments of sociology initiated the study and teaching of social issues. However, very little work was done in applied political science until the establishment of the Centre for the Study of Developing Societies and the Centre for Policy Research. Public administration, management, and agricultural extension meanwhile emerged as new areas of higher education and research.

Boundaries between Different Behavioural Sciences

The second trend was the relaxing of boundaries between the different behavioural sciences. Reviews of research in psychology sponsored by the Indian Council of Social Science Research (ICSSR), New Delhi, are a good example of this (as also of the first trend). Compared with the first review,¹³ which used traditional classification for the topics, the second used thematic classification, including social issues such as poverty, inequality, population and family planning, and ecology, and drew on relevant writings from other behavioural sciences for topics such as communication, influence, and political processes.¹⁴ This trend was continued in the third¹⁵ and subsequent surveys. In the third survey, topics such as inter-group relations, rural development, and organizational effectiveness were included. The Behavioural Sciences Centre was established in New Delhi under the chairmanship of S.K. Mitra in 1962. The centre published three directories of research in behavioural sciences, a guide to Indian behavioural science periodicals, and a quarterly, *Indian Behavioural Sciences (IBS) Abstracts*. When ICSSR started the publication of abstracts of periodicals, the *IBS Abstracts* was discontinued.

The Psychodynamic Process

The third trend, the psychodynamic process as the integrating force for behavioural science research and applications, had its beginnings in India with the coming of Rolf Lynton to Mysore, where he founded the institution Aloka in 1957 for youth leaders from Asian countries. This trend was strengthened with the institutionalization of learning groups

(L-groups) and training groups (T-groups). This was used as the core methodology to help people confront interpersonal and group issues at the Small Industry Extension Training Institute in the early 1960s, where this author joined Rolf Lynton to redesign training and group development.¹⁶ IIM Calcutta, under the influence of McGregor, Bennis, and Baumgartel, arranged to send some of its behavioural scientists to National Transportation Library (NTL). With social scientists going to NTL from various parts of the country as well, a sizeable group of NTL-trained persons was built up, who established the Indian Society for Applied Behavioural Science (ISABS) in 1971. ISABS is a highly specialized professional group of ABS experts engaged in advancing its cause. ISABS is involved in developing ABS competence throughout the country.

Development of Action Research

The fourth trend contributing to the development of ABS, dealing with social, group, or institutional issues, using process interventions, and involving the members of the concerned group in research, was that of action research. This had its beginnings in India in community development, but emerged more strongly in education with the coming of Stephen M. Corey to India in the late 1950s, at the invitation of the Ministry of Education. A large number of action research workshops were organized for teachers and headmasters throughout the country. The workshops entailed the three elements of ABS. A manual for facilitators of such workshops advocated the psychodynamic approach in classrooms. Incidentally, T-groups were convened in New Delhi in the late 1950s and early 1960s.

ORGANIZATIONAL PROCESS

Process can be defined as the underlying human and behavioural dimensions of an organization, and the various groups and individuals constituting it. Process can be contrasted with structure on the one hand and content on the other. When an organization faces a problem or crisis, a solution is usually sought in terms of changes that can be made in the organization. For example, suppose a university faces the problem of teachers not spending enough time in their offices and going home much earlier than expected. One solution is to promulgate new rules giving greater power to the department heads and enabling them to act as police officers. Similarly, if an organization faces the problem of a conflict between two departments or two individuals, a solution is sought in defining the respective roles more clearly, making each one responsible for specific aspects of the work. The implication here is not to undermine the importance of these aspects of organizational life, nor to suggest that structural changes are less desirable. But while such changes are being suggested, what is forgotten is that there are underlying behavioural dimensions, and group dynamics, and a mere structural adjustment may not be able to help the situation. It is unfortunate that structure is overstressed and process neglected, and it is still more unfortunate that a dichotomy is seen between them.

Process vs Structure

The stress on process should not mean that the importance of structure can be undermined. In fact, structure and process are two sides of the same coin. Emphasis on one implies emphasis on the other, the only difference being that the emphasis has a different

Process can be defined as the underlying human and behavioural dimensions of an organization and the various groups and individuals constituting it.

focus. Structural changes are part of the dynamics underlying organizational processes. An organizational problem that requires a change in structure as a possible solution can be addressed equally well with emphasis on the process, with the understanding that that will bring about the necessary structural change. Thus, an integration of structure and process can be achieved, rather than worrying about which of the two is more important.

Process vs Content

A similar dichotomy is present between content and process. When thinking of education, for example, the syllabus (as a catalogue of various items of knowledge which the students should acquire) assumes great importance. Much energy goes into discussing the content of knowledge which the students should acquire. Similarly, in the training of teachers, more emphasis is laid on what the teachers should know in order to teach better. Even when the teacher's behaviour is discussed, the emphasis is again on the syllabus—what the teacher should know so as to behave in a different way. Process is neglected. There is no discussion at all of how teachers and students interact in the school and in classrooms, what happens in various groups, how teachers behave and what they do in order to meet the various goals of the school, what relationship exists between the headmaster and the teacher, and how the headmaster interacts with students and with what results. Unfortunately, these aspects are taken for granted.

The concept of process essentially concerns the question of 'how' and, to a great extent, the question of 'why'. It emphasizes the behavioural and interactional dimensions of a situation. It also emphasizes the dimension of values, which is often neglected. Thus, process is concerned with the overall dynamics that underlie most questions of change.

PROCESS LEVELS

While discussing the importance of process, it may be useful to consider it from the perspective of several levels. In an organization, several levels operate simultaneously, from the individuals who work in the organization to the whole of society, which constitutes the context in which the organization functions. Nine different levels can be identified between the micro



I am impressed with our market leadership. Now pay more attention to human dynamics and interpersonal behaviour in your teams.

level (the individual) and the macro level (society). Different processes operate at different levels, but they should not be treated in isolation. In fact, the various levels interact, and the processes at different levels have significance for one another. It may, therefore, be useful to think of linkages, and treat the processes at one level in the context of (and as linking with) the processes at the other levels. This implies treating process as a continuous phenomenon. The various levels at which processes operate are discussed hereafter.

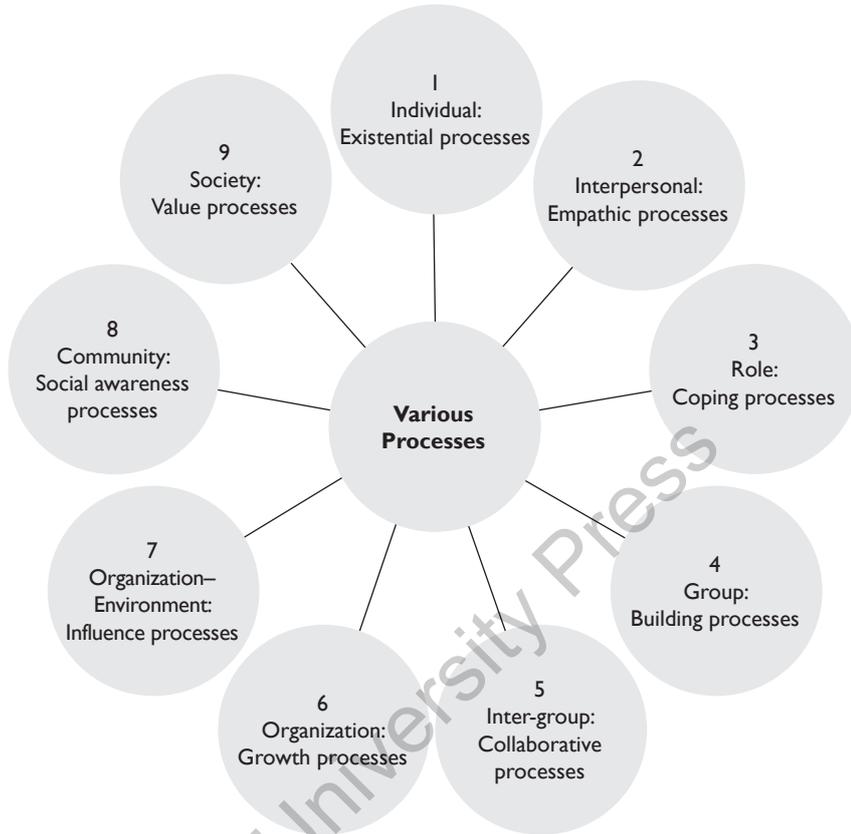


Fig. 1.2 Various Processes

Different processes operate at different levels, but they should not be treated in isolation.

In the discussion which follows, only one main process which characterizes a particular level is picked up as the primary process at that level. Various other processes also operate at that level, and the discussion of a single process is only for convenience. Figure 1.2 shows the various processes.

The Person—Existential Processes

The processes which operate at the level of the individual working in an organization can be defined as interpersonal existential processes. Of primary importance at this level is the process of self-awareness, that is, to what extent the person is aware of what is happening to him or her, of social reality, of his or her relationships with others, and so on. It also relates to an awareness of the various aspects of one's life, which are primarily concerned with self-actualization, or the achieving of personal goals.

Interpersonal—Empathic Processes

The main process at the interpersonal level is the empathic process, the process of one individual reaching out to another and establishing a relationship with him or her. This has several significant aspects, and communication is one of them. How people communicate with one

another is not only important in itself, but also because it has implications for relationship-building between two or more individuals. Similarly, collaborative and competitive processes, which respectively result in cooperation and conflict, represent another important dimension.

The Role—Coping Processes

Role processes (associated with the role an individual plays in an organization) have been comparatively neglected. The individual has a role to play in the organization, and this role enables each person to build up links with other persons in the organization. The role, therefore, is an important linking concept. The main process associated with the role is that of coping. Individuals have to deal with various problems that impinge on their roles. Various role conflicts or role stresses have implications for the effectiveness of both the individual and the various groups working in the organization. If individuals cope effectively with these stresses, their effectiveness in the organization will be high, and vice versa.

The main process associated with role is that of coping.

The Group—Building Processes

Various groups work in the organization as distinct entities. These may either be functional groups (production people, marketing people, researchers, etc.) or hierarchical groups (headmasters, teachers, senior managers, middle managers, workers, supervisors, etc.). These groups, including those comprising entire departments, have their own dynamics. The main processes which characterize a group are concerned with the formation and building up of the group as an entity. The main aspects of building processes are norms and traditions which emerge in the group.

Inter-group—Collaborative Processes

Various groups in an organization work with each other: they shoulder common responsibilities as well as deal with problems in their own respective areas. The main process operating between groups is thus cooperation. When interacting groups have a shared goal in common, they cooperate.

Another related process in a group is problem solving. The main underlying process in problem solving is that of perception—whether each group perceives the other as contributing to its interests or lacks trust in the other. This influences the stand the two groups take towards any problem they face.



You have a long list of achievements in your CV. But could you share with us some concrete experiences on coping with problems at work?

The Organization—Growth Processes

A dynamic organization is constantly evolving and growing in terms of its mission, areas of activity, size, etc. It is continuously learning, that is, utilizing past experience in future action. Its channels of communication function effectively. A dynamic organization also develops conducive climate that helps employees

to attain self-fulfilment and contribute their utmost to the achievement of organizational goals. It also deals effectively with change.

The Organization–Environment Interface—Influence Processes

An organization has interfaces with the societal environment, namely the political, economic, and cultural conditions prevailing at a particular time in society. It is necessary to understand the framework of societal culture; otherwise the organization does not develop deep roots. In addition, the organization is also involved in a transactional process with the environment. The main process on this dimension is that of influence, and it is an important process for institution-building. Either the organization exerts greater influence on the environment, or vice versa.

The Community—Social Awareness Processes

The community has some special responsibilities and certain processes operate at that level. Some organizations may be concerned with the process of relating to and helping the community, such as educational organizations and those dealing with human development. The main process, which operates at the community level, is social awareness.

The Society—Value Processes

Society is the main context within which all organizations work. Social processes are therefore an important concern for the organization. However, it is also necessary to consider these social processes from the point of view of society as a whole. The most relevant processes at the level of the society are related to values and power. Values should be understood not only in the sense of what is considered important by a society, but also in terms of who is considered a model human being. The process of self-awareness at the community level focuses on values.¹⁷

NEW PERSPECTIVES—DEVELOPING AN OB MODEL

A model is an easy to understand depiction of a product, building, person, system, theory, etc. Like any other model, an OB model can also be developed based on various levels and variables to analyse and understand organizational behaviour.

Levels in OB Model

The basic OB model proposes that OB can be analysed at three different levels covering right from the individual level to the organization system level. This helps to systematically understand organizational behaviour. The basic OB model suggests the study of the organization at the following three levels:

- Organization system level
- Group level
- Individual level

The three basic levels can be compared with building blocks, where each level is constructed on top of the previous one. The concept of group grows out of the foundation laid at the individual level; the organization system level is based on the individual and group levels; and when all put together, they constitute the OB model as shown in Fig. 1.3.



Fig. 1.3 Three Levels of OB Model

Variables in OB Model

In the OB model, there are two types of variables: independent and dependent.

Independent Variable

As the name indicates, an independent variable does not get affected or changed by any other variable and is fully independent. For example, the gender of a person is neither affected nor changed by other factors such as height, age, intelligence quotient (IQ), and emotional quotient (EQ). However, the independent variable may affect or change other variables. In the context of organizations, there are three types of independent variables at three different levels: individual level variables, group level variables, and organization system level variables.

Individual level variables There are various individual level variables, such as perception, learning, motivation, attitude, and personality characteristics. Such individual variables affect the behaviour at work. Personal characteristics such as age, gender, marital status, personality characteristics, emotions, emotional intelligence, and abilities influence most of the behaviour at work.

Group level variables The behaviour of an individual changes when he is in a group as compared to when he is alone. The behaviour of the people working in a group is affected by many factors such as communication within the group; communication with other groups; group cohesiveness, competition, and collaboration; and conflicts in the group. Different groups have different behaviour, that is, an individual performs differently when he is with different groups. These different behaviours in different situations increase the complexities of the OB model.

Organization system level variables Organizational behaviour is built on the group and individual behaviours. In other words, the formal structure of a group and the individual behaviour are the building blocks of organizational behaviour. The formal structure, work process, technology, human resource policy, organizational culture, leadership, power and politics, communication, etc. are the factors that affect organizational behaviour. A manager must understand the field of OB thoroughly and apply that knowledge to make the organization's work more effective and efficient, and also make efforts to improve productivity, reduce absenteeism and turnover, as well as increase employee engagement and job satisfaction.

Dependent Variable

As the name indicates, a dependent variable is affected by other variables and may change frequently. For example, employee turnover may depend on many factors such as the supervisor's behaviour, organizational culture, peer group, salary, and unfair reward system. Various dependent variables in the OB model are absenteeism, turnover, job satisfaction, productivity, and organizational citizenship.

Absenteeism Absenteeism is a problem that all organizations have to deal with. Due to the high absenteeism by some employees, an organization may suffer a great deal in terms productivity and discontent in other employees, who are overburdened with extra work. This in turn may result in a negative attitude, a strained co-worker relationship, supervisors' distress for not being able to meet targets, etc. It is important for an organization to deal with absenteeism by looking at other variables, such as the supervisor's leadership ability, peer group's behaviour, and family problems of the employee concerned. Measures should be taken to rectify such problems. Until and unless these issues are dealt with, the organization may end up losing in terms of efficiency and productivity.

Turnover Employee turnover means employees leaving the organization for one reason or the other. When we say that the annual turnover rate in company A is very high and that in company B is very low, it means that the percentage of employees leaving the organization in a year in company A is very high and that in company B is very low. Companies that have a high turnover rate may have to bear high financial loss, because when someone leaves a job, the company has to spend a lot of money in hiring and training a new employee. In this case, the productivity of a company also suffers because the new employee takes time to adapt, perform, and be productive in his/her new job. According to a research survey, a company has to spend approximately one-fifth of an employee's annual salary to replace that employee. A certain amount of turnover rate cannot be avoided by organizations because of different reasons; however, when the employee turnover rate is higher than usual, it is a matter of concern for the organizations.

Job satisfaction Job satisfaction means how happy and contented an employee is with his/her job. It is said that a satisfied employee is an asset to the organization. Similarly, if an employee is not satisfied with his/her job, he/she develops a negative attitude towards the job and the organization, in addition to low morale and low productivity. Hence, an organization has to satisfy the needs of its employees by job redesigning, designing a reward system, etc., as job satisfaction will only be achieved when a person's expectations are met by his/her job. Job satisfaction is a major concern for organizations and most of them conduct job satisfaction surveys to find out the levels of job satisfaction and their possible causes. Since job satisfaction is a dependent variable, it is influenced by many other factors such as the level of pay and benefits, perceived fairness of the promotion and reward system, quality of the working conditions, leadership styles, interpersonal relationships, recognition, challenging assignments, and the job itself. These will be discussed in Chapters 7 and 8.

Productivity Productivity is another major concern for organizations. An organization is said to be productive if it achieves its goals on time and at the lowest cost. Productivity is both effectiveness and efficiency of the organization. For example, a manufacturing company is effective when it successfully meets the targets and the needs of its customers by supplying

quality products, and it is efficient when it can do so at a low cost. Productivity also depends on many other variables, such as competence and motivation of employees, technology, environmental factors, and government rules and policies.

Organizational citizenship Organizational citizenship is the employee's bonding or feeling of belonging with his/her organization. If the employee works more than the basic requirements of his/her job and is highly attached with the organization, then it is said that there is high organizational citizenship within him/her. Employees who go an extra mile, willingly and enthusiastically, to carry out tasks which are not part of their job description are the building blocks and great assets of the organization.

SUMMARY

Unprecedented changes in society and technology have brought into sharp focus the importance of individuals and teams to the success of organizations. The study of individuals, their roles in organizations, teams, groups, the organization as a whole, and their dynamics is within the scope of OB.

OB is a multi-disciplinary study drawing mainly on important behavioural sciences such as psychology, sociology, social psychology, anthropology, and political science. Significant contributions in the development of human thought all over the world, mainly in the East, were the 'ancestors' of OB, although OB as a discipline developed in the West. However, Indian OB scholars have made significant contributions too. The main contribution of OB is in understanding and using processes, which can also be defined as the underlying behavioural dimensions of any unit of the organization.

Managers take on several roles, which can be clustered into three categories: interpersonal, informational, and decisional. They perform several functions in relation to these roles, the most important being planning, organizing, leading/motivating, and controlling/monitoring. Three groups of competencies have been suggested for

the managers to perform these roles, which are technical, human, and conceptual. The importance of these competencies varies according to the level of management. While lower-level managers need to have more technical competency, middle-level managers require human competencies, and higher-level managers primarily must have conceptual competencies.

The main processes operating at various levels concern the individual (existential processes), interpersonal (empathic processes), the role (coping processes), the group (building processes), the inter-group (collaboration processes), the organization (growth processes), the organization–environment interface (influence processes), the community (social awareness processes), and society (value processes).

The OB model proposes that there are two types of variables: independent and dependent. Independent variables are further divided into individual, group, and organization system levels. Various dependent variables in the OB model are absenteeism, turnover, job satisfaction, productivity, and organizational citizenship.

KEY WORDS

anthropology the science that studies societies and their patterns of living

cognitive related to knowledge or opinion

dependent variable the variable that is dependent on other factors and may change frequently

dyad two-member group

group dynamics complex processes of working of groups

independent variable the variable that stands alone and is not changed by other variables

interactional approach OB is determined by continuous interaction between individuals and situations

job satisfaction how content an employee is with his/her job

organization quasi-permanent social unit having a specific structure and norms to achieve common goals

organizational behaviour (OB) an interdisciplinary behavioural science studying phenomena and dynamics (processes) of organizations, their various human units (individuals, roles, dyads, teams, inter-teams, and organizations), and the organization–environment interface

organizational citizenship the behaviour of an employee toward his/her organization

political science the science that studies individual and group behaviour within a political environment

process underlying human and behavioural dimensions of an organization, and the various groups and individuals constituting the organization

productivity the transfer of inputs to outputs at the lowest cost, which helps the organization achieve its goals

psychodynamics see *group dynamics*

psychology the science that explains, measures, and attempts to change behaviour

role the position one occupies in a social system, as defined by the functions one performs in response to the

expectations of its 'significant' members and one's own expectations from that position

social psychology that part of psychology that integrates concepts from psychology and sociology

sociology the science that studies human groups and their activities

system an interrelated set of elements functioning as a whole

team two or more persons working together towards a common goal(s)

turnover the rate at which existing workers are replaced with new ones for any reason

EXERCISES

Concept Review Questions

1. What is OB? Define and explain.
2. From which behavioural sciences has OB drawn its subject matter?
3. What are the various trends in OB?
4. Write a detailed note on Hawthorne experiments and their outcome.
5. Mintzberg identified 10 roles common to the work of all managers divided into three groups. What are those 10 roles and the three groups of managers?
6. How do managerial roles differ from managerial functions?
7. What are the main managerial competencies at the three management levels?
8. What is the difference between process and content, and process and structure?
9. Explain the nine levels of processes with the help of a diagram.
10. What is an OB model? How many types of dependent and independent variables are there in the OB model?

Critical Thinking Questions

1. Which intra-team processes are strong and which are weak in your class?
2. Which processes in your organization (workplace or institution) require to be strengthened? Consider one or two of them and give suggestions on how to strengthen those processes.

Classroom Projects

1. Analyse the structure of your institution. What are the accompanying processes?
2. Analyse a printed speech by a political leader or a CEO of a company in terms of content and process.

Field Projects

1. Attend a meeting at an NGO (for about 30 to 60 minutes). Take notes both on the content (what is discussed) and the process (how it was discussed, who spoke and who were silent, the pattern of participation, etc.)
2. Attend a meeting in an industry. Assess the quality of the content (quality and speed of decision-making) and the quality of the processes (participation, consensus-building, etc.). Is there a relationship between the two?

Group Exercise—Organizational Effectiveness

Purpose

To learn about the effect of employee turnover, job satisfaction, absenteeism, and organizational citizenship on the productivity of the organization.

Time Required

Approximately 40 minutes

Conducting the Exercise

Step 1: Make groups of four to six people.

Step 2: Give the following instructions to each group:

- (i) You belong to the human resources (HR) department of Topaz Industries. Topaz Industries has been in the business of manufacturing batteries since 1980. Recently, it has been noticed by the top management that the organization is not meeting its goal and is incurring heavy losses. Your team has been asked to present a report on the causes of low effectiveness and low efficiency of the organization.
- (ii) Your team has conducted a survey and the findings of the survey are as follows: It has been noticed that the productivity of the organization has been decreasing for the past 10 months; rate of absenteeism has been

increasing; employee turnover is very high; employee job satisfaction is also very low; and in general employees refuse to do any work beyond their basic job responsibilities. Your team is very concerned on such findings. Now, discuss the reasons, consequences, and

remedial actions to be taken up for all the preceding issues. Present your views, comments, and action plan in front of the entire class.

Step 3: Conduct a class discussion based on presentations made by all the groups.

CASE STUDY Downfall of Jagannath Group of Industries

Jagannath Group of Industries (JGI) was set up in 1991 to manufacture automobiles. By the end of 1999, it became a market leader in the automobile industry and held 80 per cent of the market share. In 1991, the company had 100 employees and sales of ₹14 million. After eight years, its manpower went up eight times (to 800) and sales rose to ₹200 million. JGI did not have many major competitors in the automobile industry except Indian Automobiles Ltd.

In 2000, due to liberalization and globalization, many other industries came up in the automobile sector in collaboration with industries around the globe. Indian Automobiles Ltd also went into partnership with a Japanese company. JGI was too proud to go for any such collaboration, since it had a glorious past and continued to manufacture the same product as they had been doing for the last eight years and refused to change by force of external environment. The top management firmly believed that their product was the best and that they need not change.

By the end of 2002, JGI's sales dropped to ₹130 million and it started losing its customers, since by then they had many more options available to them. Sundaram Ayyar, president of the group, got worried and anxious and called an emergency meeting of all the functional heads. He gave them a warning that unless their groups did something to increase the revenue of the company, they could turn in their resignations. He also said that only the best performing group would be entitled for any bonus, and that the salaries of groups not performing up to the mark would be questioned.

This created a stir in the organization and led to fear, anxiety, and low motivation among the employees. Rather than collaborating, the different departments began competing with each other. Even within the departments, conflicts arose and team members did not cooperate with each other. Everyone in the organization started looking for other job options and several good employees joined elsewhere. When the performance of the employees was reviewed after three months, it had drastically declined. Sundaram

Ayyar was furious and called his HR head Samir Jain to know about the reasons for the non-performance of various groups. Samir Jain suggested taking help from external consultants. Ayyar, though apprehensive, permitted Samir to call Marshal Consultants, the leading organizational development (OD) consulting firm.

Marshal Consultants carried out a short diagnostic survey and submitted their report a week later. The report revealed that JGI had a culture of distrust, low risk-taking, dependency, fear, and a climate of control-affiliation, that is, there was low concern for results and greater emphasis on maintaining good relations for their own security. Due to such a working culture, the members of the organization were divided and were fighting against each other rather than fighting together to face new challenges due to environmental, political, and economic upheavals in the market. They also suggested that the organization adopt radical thinking, understand its customers and market, and prepare strong teams to deal with all of these issues.

All these revelations made Sundaram Ayyar reflect on the past six months and the changing behaviour of the members of the organization. Through self-introspection, he realized that being the group's president, he himself was very anxious and insecure and passed that on down the line. With this insight, he was more determined to fight against all odds and once again make JGI the market leader. He genuinely shared his concerns and anxiety with Samir Jain and asked for help. Samir Jain replied, 'Sir, I can very well understand your position, your fears, and your anxiety. We will leave no stone unturned to bring JGI once again to the top.'

Questions for Discussion

1. What are the main learnings from the case?
2. What are the intra-personal, interpersonal, team, and inter-team processes that are reflected in the case study?
3. How should JGI respond to the changing context of the automobile industry?

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