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| --- | --- | --- |
| **Objective** | **:** | To enable the students to gain knowledge about the organization and behavior in organization |
| **Outcome** | **:** | To inculcate knowledge on Personality, Perception, Motivation, Job satisfaction, morale, Group dynamics, Leadership traits, Counseling and guidance, etc  . |

**VINAYAGA MISSION RESEARCH FOUNDATION**

**SCHOOL OF ARTS AND SCIENCE**

**ORGANIZATIONAL BEHAVIOR – E-Content Notes**

**BBA – FIRST YEAR II SEMESTER**

**UNIT I**

Organizational Behavior – Concept – Nature - Organizational Behavior Models and other similar fields of study – Disciplines contributing to Organizational Behavior.

**UNIT II**

Individual Behavior – Perception – Personality – Group Dynamics – Formal and Informal Groups, Group Norms, Group Cohesiveness, Group Behavior and Group Decision – making.

**UNIT III**

Leadership – Concept – Qualities of effective Leadership – Leadership Styles. Power -Definition of Power – Types of Power

**UNIT IV `**

Authority - Definition of Authority – Characteristics – Types of Authority. Morale – Concept – importance - Morale and Productivity – Steps to improve Morale in an organization.

**UNIT V**

Motivation – Concept – Nature – significance - Theories of Motivation – Maslow’s need hierarchy theory – Mc Gregory’s theory X and Theory Y – Herzberg Two Factor Theory.

**UNIT - I**

Employees can reach a state of self-motivation. Their highest order needs are met. They

have passion and commitment to organizational goals, not just their own personal wants and

needs.

TABLE 1 FIVE MODELS OF ORGANIZATIONAL BEHAVIOR (NEWSTROM 33)

C

ONCLUSIONS

Models have changed over time. The choice of model depends on employee needs and

the situation. Any of the models work in some situations. There is a trend toward the newer

models.

The Model used depends on the knowledge and skills of managers, the expectations of

employees, the policies and ways of life in the organization and the nature of the work e.g. low

skilled, high programmed work, temporary work, or intellectual work

Organizational Behavior is concerned with the study of human behavior at work. It is

the field of study that investigates the impact that individuals, groups and structure have on

behavior within organization. It is the study and application of knowledge about how people act

within organizations. It is a human tool for human benefit. It applies broadly to the behavior of

people in all types of organizations, such as business, government, schools and services

organizations. It covers three determinants of behavior in organizations: individuals, groups, and

structure. OB is an applied field. It applies the knowledge gained about individuals, and the

effect of structure on behavior, in order to make organizations work more effectively. OB covers

the core topics of motivation, leadership behavior and power, interpersonal communication,

group structure and process, learning, attitude development and perception, change process,

conflict, job design and work stress

**Definition**

***Organization***

When two or more people get together and agree to coordinate their activities in order to achieve their common goals, an organization has been born. “The responsibilities by means of which the activities of the enterprise are dispersed among the (managerial, supervisory, and specialist) personnel employed in its service; and b. the formal interrelations established among the personnel by virtue of such responsibilities.”

A consciously coordinated social unit composed of two or more people that functions on a relatively continuous basis to achieve a common goal or set of goals.

-Stephen p. Robbins

## *Behavior*

The action that communicates and exhibits the character of individual is behavior.

The reaction of something under specified circumstances can be defined as behavior

***Organizational behavior***

“Organization behavior is the study and application of knowledge of how people act or behave within organization.”

“It is the study of what people think, feel and do in and around organization.”

**CONCEPT OF ORGANIZATIONAL BEHAVIOUR**

Organizational behavior is a field of study that investigates the impact that individuals, groups, and structures have on behavior within the organization. This impact works towards improving the organization’s effectiveness.

Of all the resources, human resources are precious and the behavior of human being is unpredictable, thus unique in nature. As such an understanding of their interaction in Organizations is necessary, for the purpose of integrating human effort towards realization of goals.

In order to understand human behavior, a specified field of faculty of knowledge is being developed. It is called organizational Behavior (OB).

Focuses on three levels of analysis

Individuals, Groups, and Organizations

The study of people at work

It is concerned with the understanding, prediction and control of human behavior

Study of how people act in organization

Help suggest ways of improving organizational problems in general

Related to work related behavior and job satisfaction. Primarily related to people

**IMPORTANCE /BENEFITS OF ORGANIZATIONAL BEHAVIOUR**

1. OB provides a road map to our lives in organization: every person is made up differently as per their personality showing different emotions, feelings and behavior. This makes an organization perplexed. Thus OB helps us in tackling and overcoming such differences which are functional, less stressed and career advancing.

2. The field of OB uses scientific research to help us understand and predict organizational life: OB is not a pure science but it helps us in understanding the cause and effect relationship among the people in an organization.

3. OB helps us influence organizational events: a person needs to know how to communicate their ideas effectively to others, manage conflicts, take decisions, work with teams etc. thus OB helps in influencing organizational events.

4. OB helps an individual understand himself and others better: this helps in improving the interpersonal relationships considerably.

5. A manager in a business establishment is concerned with getting things done through delegation: the person will be successful in delegating the authority, motivate subordinates for better results.

6. The field of OB is useful in maintaining cordial industrial relations: In an organization it is an indifferent attitude of the boss which makes the workers lazy. The relation between management and employee are often strained by different reason which are personal reason, human problem should be tackled humanely.

7. The subject of OB is also useful in the field of marketing: organization behavior helps in understanding the consumer choice and studying their behavior, therefore OB helps us in innovating new products with creativity and learning of responses

8. Interest in pursuing carrier in marketing: OB creates a person to take up carrier in management on how to predict human behavior to the effectiveness of organization. It talks about people skill and ability to understand one ‘s employees

9. Effective management of all the sectors: Effective management means efficient management of human resources and this is possible only through study of OB. OB enables the manager to motivate his subordinate towards higher productivity and better results.

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**MODELS OF ORGANIZATIONAL BEHAVIOUR**

**The Autocratic Model**

The basis of this model is power with a managerial orientation of authority. The employees in turn are oriented towards obedience and dependence on the boss. The employee need that is met is subsistence. The performance result is minimal.

In case of an autocratic model, the managerial orientation is doctorial. The managers exercise their commands over employees. The managers give orders and the employees have to obey the orders. Thus, the employee’s orientation towards the managers/bosses is obedience. Under autocratic conditions, employees give higher performance either because of their achievement drive or their personal liking to the boss or because of some other factor.

Evidences such as the industrial civilization of the United States and organizational crises do suggest that the autocratic model produced results. However, its principal weakness is its high human cost. The combination of emerging knowledge about the needs of the employees and ever changing societal values and norms suggested managers to adopt alternative and better ways to manage people at work. This gave genesis to the second type of models or organizational behavior.

**The Custodial Model**

The basis of this model is economic resources with a managerial orientation of money. The employees in turn are oriented towards security and benefits and dependence on the organization. The employee need that is met is security. The performance result is passive cooperation.

While studying the employees, the managers realized and recognized that although the employees managed under autocratic style do not talk back to their boss they certainly think back about the system. Such employees filled with frustration and aggression vent them on their co-workers, families and neighbors. This made the managers think how to develop better employee satisfaction and security. It was realized that this can be done by dispelling employees' insecurities, frustration and aggression. This called for introduction of welfare programmers to satisfy security needs of employees. Provision for an onsite day-care center for quality child care is an example of welfare programmer meant for employees. Welfare programmers lead to employee dependence on the organization. Stating more accurately, employees having dependence on organization may not afford to quit even there seem greener pastures around. The welfare programmers for employees started by the Indira Gandhi National Open University (IGNOU), New Delhi are worth citing in this context, IGNOU, in the beginning provided its employees facilities like house-lease facility, subsidized transport facility, day-time child care center in the campus, etc. These made employees dependent on IGNOU which, in turn, became custodian of its employees.

The basis of this model is partnership with a managerial orientation of teamwork. The employees in turn are oriented towards responsible behavior and self-discipline.

Although the custodian approach brings security and satisfaction, it suffers from certain flaws also. Employees produce anywhere near their capacities. They are also not motivated to increase their capacities of which they are capable. Though the employees are satisfied, still they do not feel motivated or fulfilled in their work they do. This is in conformity with the research finding that the happy employees are not necessarily most productive employees. Consequently, managers and researchers started to address yet another question. "Is there better approach/way to manage people?" The quest for a better way provided a foundation for evolvement to the supportive type of model of organizational behavior.

**The Supportive Model**

The basis of this model is leadership with a managerial orientation of support. The employees in turn are oriented towards job performance and participation. The employee need that is met is status and recognition. The performance result is awakened drives.

The supportive model is founded on leadership, not on money or authority. In fact, it is the managerial leadership style that provides an atmosphere to help employees grow and accomplish their tasks successfully. The managers recognize that the workers are not by nature passive and disinterested to organizational needs, but they are made so by an inappropriate leadership style. The managers believe that given due and appropriate changes, the workers become ready to share responsibility, develop a drive to contribute their mite and improve themselves. Thus, under supportive approach, the management's orientation is to support the employee's job performance for meeting both organizational and individual goals.

However, the supportive model of organizational behavior is found more useful and effective in developed nations and less effective in developing nations like ours because of employee's more awakening in the former and less one in the latter nations.

**The Collegial Model**

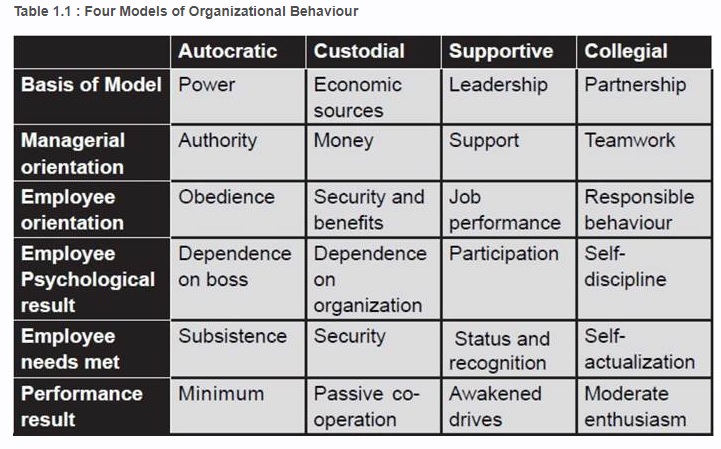
The collegial model is an extension of the supportive model. As the literal meaning of the work 'college' means a group of persons having the common purpose, the collegial model relates to a team work/concept. The basic foundation of the collegial model lies on management's building a feeling of partnership with employee. Under collegial approach, employees feel needed and useful. They consider managers as joint contributors to organizational success rather than as bosses.

Its greatest benefit is that the employee becomes self-discipline. Feeling responsible backed by self-discipline creates a feeling of team work just like what the members of a football team feel. The research studies report that compared to traditional management model, the more open, participative, collegial managerial approach produced improved results in situations where it is appropriate.

Although there are four separate models, almost no organization operates exclusively in one. There will usually be a predominate one, with one or more areas overlapping in the other models.

The first model, autocratic, had its roots in the industrial revolution. The managers of this type of organization operate out of McGregor's Theory X. The next three models begin to build on McGregor's Theory Y. They have each evolved over a period of time and there is no one "best" model. The collegial model should not be thought as the last or best model, but the beginning of a new model or paradigm.

Now, the sum and substances of these four models of organizational behavior are summarized in Table 1.1.



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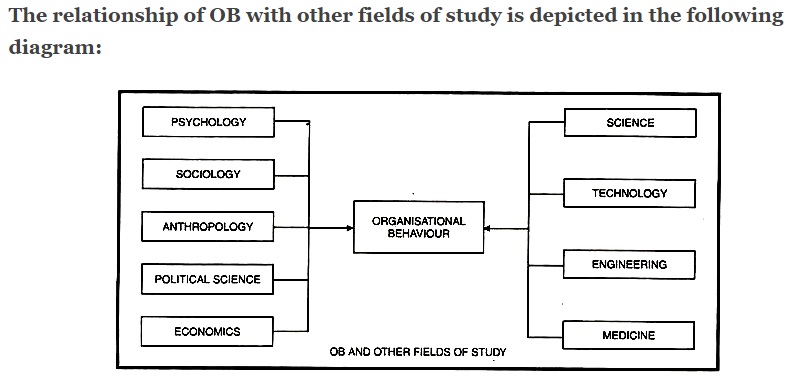
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**TOWARD AN OB DISCIPLINE (OB AN INTERPLINARY DISCIPLINE)**



#### **Psychology:**

The term ‘psychology’ is derived from the Greek World ‘Psyche’ which means ‘soul’ or ‘spirit’. Organizational behavior studies human behavior which is concerned mainly with the psychology of the people. Psychology, especially, industrial or organizational psychology is the greatest contributor to the field of organizational behavior. Psychologists study behavior and industrial or organizational psychologists deal specifically with the behavior of people in organizational settings.

Psychology as a science, measures, explains and suggests the appropriate human behavior. Individual behavior is governed by perception, learning and personality. Industrial psychology understands people’s behavior at work, particularly under different working conditions, stress, conflicts and other related behavior of employees. Job satisfaction, performance appraisals and reward systems are measured and directed with the use of psychological theories and models.

Group behavior in the organizations is studied, researched and molded with the use of theories of Social Psychology. The communication system in the organization, attitudes of employees, their needs etc. as a subject of social psychology have a great influence on behavior. Thus, many of the concepts which interest psychologists e.g. learning, motivation etc. are also central to the students of organizational behavior. We can conclude that the contribution of psychology in the field of organizational behavior is quite significant.

#### **Sociology:**

Sociology also has a major impact on the study of organizational behavior. Sociology makes use of scientific methods in accumulating knowledge about the social behavior of the groups. Sociologists study social systems such as a family, an occupational class, a mob or an organization. It specifically studies, social groups, social behavior, society, customs, institutions, social classes, status, social mobility, prestige etc.

It studies the behavior of the people in the society in relation to their fellow human beings. Sociology contributes to organizational behavior through its contribution to the study of interpersonal dynamics like leadership, group dynamics, communication etc. Socialization is accepted for molding the behavior of people where the capacities of individuals to learn and respond to social systems, values, norms and social roles are accelerated and appreciated. The attitudes and behavioral patterns of individuals and groups are greatly influenced by socialization.

#### **Anthropology:**

Anthropology is concerned with the interactions between people and their environment, especially their cultural environment. Culture is a major influence on the structure of organizations as well as on the behavior of people within organizations. ‘Anthropos’ is a Greek word which means ‘man’ and ‘logy’ means ‘Science’. Aristotle defined anthropology as a science of man’s self-understanding. It particularly studies civilization, forms of cultures and their impact on individuals and groups, biological features of man and evolutionary pattern, speech and relationship among languages.

Anthropology contributes in understanding the cultural effects on organizational behavior, effects of value systems, norms, sentiments, cohesion and interaction. Socialization involves spreading of values and missions of organization among employees. Anthropology influences the employees’ behavior through motivation, interaction, goal setting, decision making, coordinating and controlling.

#### **Political Science:**

In recent times, political science has also started interesting the organizational behaviorists. Political Science is usually, thought of as the study of political systems. But political scientists are interested in how and why people acquire power, political behavior, decision making, conflict, the behavior of interest groups and coalition formation. These are also major areas of interest in organizational behavior.

Political parties and Government directly intervene in many activities of the organization. Specific principles of political science are observed in organizational behavior for delegation of authority and responsibility, conflict resolution and stress management.

In organizations, people strive for power and leadership recognition. Political Science helps in the management of men in an effective and efficient manner. Political perspectives and government policies are thoroughly analyzed for molding and modifying the behavior of people, because they greatly influence the organization. The law and order of the country influence the people at work.

#### Economics:

Economists study the production, distribution and consumption of goods and services. Students of organizational behavior share the economist’s interest in such areas as labor market dynamics, productivity, human resource planning and forecasting, and cost benefit analysis.

The economic conditions of a country have long lasting impact on organizational behavior. If psychological and economic expectations of employee are met, they are satisfied and become high performers. Economic systems include financial, commercial and industrial activities which have greater influences on the behavior of the people. The consumption pattern in society monitors the behavior of employees. Consumption oriented society witnesses a different employee behavior from that of a production oriented society.

#### **Science**:

Science is systematized knowledge. The scientific methods attempt to produce information that is objective in the sense that it is certifiable and independent of a person’s opinions or preferences. Scientific method is the backbone of organizational behavior. Organizational behavior is based on the systematized study of facts, behavior, their relationships and predictions.

New scientific methods viz. observation of facts and behavior, explanation of facts and relationships and coming to conclusion thereon have become important bases of the study of organizational behavior. The cause and effect relationship is also established in organizational behavior like that of science. The verification of the relationship and its quantification has added to the importance of organizational behavior.

It becomes relatively easy to predict and mound the people at work. A researcher, in the field of OB investigates new facts, tests theories, hypothesis and models. Personal bias, superfluous conclusions and whimsical approaches are avoided in the study. A systematized form of inquiry is used for the study of various problems.

#### **Technology:**

The level of technological development affects the behavior of the employees. Modern age is the age of computerization. It has come within the framework of the model of organizational behavior. The study of technological development is becoming essential for understanding the organizational behavior, because people are influenced by the technological development. Human behavior relations and environments develop as a result of technological innovations.

Technology changes consumer behavior, production activities, distribution and storage activities. To cope up with the technological development people have to become educated and/or technically skilled. They should have to be responsibility conscious and development oriented. Unskilled or irresponsible will have no place in the modern innovative age. Thus, technological development leads to effective work behavior, improved organizational culture and helpful work environment.

#### **Engineering:**

Engineering also influences the study of organizational behavior. Some topics are common to engineering as well as organizational behavior e.g. work measurement, productivity measurement, work flow analysis, work design, job design and labor relations. In fact, organizational behavior is dependent on engineering for these technical jobs.

#### **Medicine:**

Nowadays, medicine has also come in connection with the study of human behavior at work. Stress is becoming a very common problem in the organizations as well as in the people working in the organizations. Research shows that controlling the causes and consequences of stress in and out of organizational settings, is important for the wellbeing of the individual as well as the organizations. Medicine helps in the control of stress as well as stress related problems.

Thus, it can be concluded that organizational behavior has an inter­disciplinary focus. It draws from a variety of other fields and attempts to describe behavior as opposed to prescribing how behavior can be changed in consistent and predictable ways.

**UNIT – II**

**INTERPERSONAL RELATIONSHIP**

Human behavior is complex and every individual is different from another, the challenge of an effective organization is in successfully matching the task, the manager and the subordinate. Under ideal situation, a manager would first analyze the task, then determine the required skills and assemble a team that complement each other skills; thereby creating an enriching & conflict free team. In reality, a manager has to use the existing resources for a given task, and must have the ability to understand the differences in individual behaviors and use them appropriately to increase the synergy.

Organizations are composed of individual and individual is different from the other. The behavior of each individual is influenced by several factors the other. The behavior of each individual is influenced by several factors. Every individual has particular motives, ambitions, perceptions and Every individual has particular motives, ambitions, perceptions and abilities. To understand the human behavior in organization in a better ability. To understand the human behavior in organization in a better way a careful study of all the factors which affect the human behavior is way a careful study of all the factors which affect the human behavior is must.

The factors which affect the human behavior are persons, environment and the factors which affect the human behavior are persons, environment and the organization itself. the organization itself. B = F(P,E and O)B = F(P,E and O)B = Individual behaviour B = Individual behaviour P = PersonP = Person E = environment E = environment O = Organization O = Organization

Thus individual behavior is a function of person, environment and the Thus individual behavior is a function of person, environment and the organization.

**PERCEPTION**

NDIVIDUAL BEHAVIOUR

FOUNDATIONS OF INDIVIDUAL BEHAVIOUR

Human behaviour, a complex phenomenon as it is, is most difficult to define in absolute

terms. It is primarily a combination of responses to external and internal stimuli. These

responses would reflect psychological structure of the person and may be a result of combination

of biological and psychological processes, interprets them, responds to them in an appropriate

manner and learns from the result of these responses.

Psychologist Kurt Levin has conducted considerable research into the human behaviour

and its causes. He believes that people are influenced by a number of diversified factors, both

genetic and environmental, and the influence of these factors determines the pattern of

behaviour.

Whenever people buy something, for example, a car, both the buyer and the seller sign a

contract that specifies the terms of the sales agreement. Similarly, most people, when they begin

a working relationship with an organisation formulate a psychological contract with their

employer. A psychological contract is the overall set of expectations that an individual holds

with respect to his/her contributions to the organisation and the organisation’s response to those

contributions. A psychological contract is not written down like a legal contract.

The individual makes a variety of contributions to the organisation - effort, skills, ability,

time, loyalty and so forth. These contributions presumably satisfy various needs and

requirements of the organisation. In return for contributions, the organisation provides

inducements such as pay, promotion, job security, etc. to the individual. Just as the contributions

available from the individual must satisfy the organisation’s needs, the inducements must serve

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**Meaning of Perception:**

Perception is the process of receiving information about and making sense of the world around us. It involves deciding which information to notice, how to categorize this information and how to interpret it within the framework of existing knowledge.

According to S. P. Robbins, perception can be defined as “***the process by which individuals organize and interpret their sensory impressions in order to give meaning to their environments***.”

Perception includes the 5 senses; touch, sight, taste smell and sound. It also includes what is known as perception, a set of senses involving the ability to detect changes in body positions and movements.

It also involves the- cognitive processes required to process information, such as recognizing the face of a friend or detecting a familiar perfume.

The study of these perpetual processes shows that their functioning is affected by three classes of variables—the objects or events being perceived, the environment in which perception occurs and the individual doing the perceiving.

In simple words, we can say that perception is the act of seeing what is there to be seen.

But what is seen is influenced by the perceiver, the object and its environment. The meaning of perception emphasizes all these three points.

## Importance of Perception

Perception is a subjective, active and creative process through which we assign meaning to sensory information to understand ourselves and others. It can be defined as our recognition and interpretation of sensory information. It also includes how we respond to the information.

It is the process by which an organism detects and interprets information from the external world by means of the sensory receptors. It is our sensory experience of the world around us and involves both the recognition of environmental stimuli and actions in response to these stimuli.

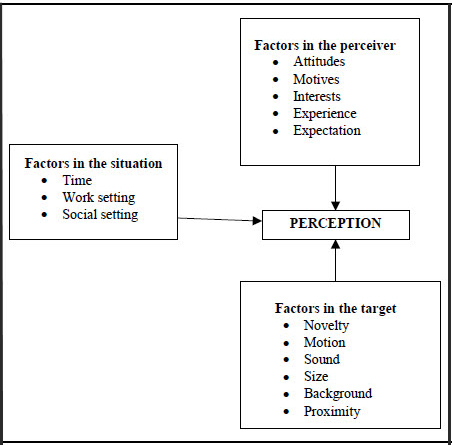
Through the perceptual process, we gain information about the [**properties and elements of the environment**](https://www.iedunote.com/organizational-environment-elements) that are critical to our survival.

Perception not only creates our experience of the world around us; it allows us to act within our environment.

1. Perception is very important in [understanding human behavior](https://www.iedunote.com/functions-of-human-resource-management) because every person perceives the world and approaches life problems differently. Whatever we see or feel is not necessarily the same as it really is. When we buy something, it is not because it is the best, but because we take it to be the best.
2. If people behave on the basis of their perception, we can predict their behavior in the changed circumstances by understanding their present perception of the environment. One person may be viewing the facts in one way which may be different from the facts as seen by another viewer.
3. With the help of perception, the needs of various people can be determined, because people’s perception is influenced by their needs.
4. Perception is very important for the manager who wants to avoid making errors when dealing with people and events in the work setting. This problem is made more complicated by the fact that different people perceive the same situation differently. In order to deal with the subordinates effectively, the managers must understand their perceptions properly.
5. Perception can be important because it offers more than objective output; it ingests an observation and manufactures an altered reality enriched with previous experiences.

## Factor Influencing Perception

**Factors that Influence Perception**



Frequently Used Shortcuts in judging others: Perceiving and interpreting what others do is burdensome. As a result, individuals develop techniques for making the task more manageable. These techniques are not fool proof. Several factors lead us to form inaccurate impressions of others. These barriers to perception are inaccurate impressions of others. These barriers to perception are

1. Selective Perception: We receive a vast amount of information. Therefore, it is impossible for us to assimilate everything we see - on eye certain stimuli can be taken. That is why their boss may reprimand some employees for doing something that when done by another employee goes unnoticed. Since, we can't observe everything going on about us, we engage in selective perception.

Selective perception is also out tendency to choose information that supports our view points; Individuals often ignore information that makes them feel uncomfortable or threatens their view points.

Selective perception allows us to "speed-read" others, but not without the risk of drawing an inaccurate picture. Because we see what we want to see, we can draw unwarranted conclusions from an ambiguous, perception tends to be influenced more by an individual's attitudes, interests, and background than by the stimulus itself.

1. Stereotype: A stereotype is a generalization about a group of people. When we judge someone on the basis of our perception of the group to which he or she belongs, we are using the shortcut called stereo typing. Stereo types reduce information about other people to a workable level, and they are efficient for compiling and using information. It is a means of simplifying a complex world and it permits us to maintain consistency. It is less difficult to deal with an unmanageable number of stimuli if we use stereo types. Stereo types can be accurate, and when they are accurate, they can be useful perceptual guidelines. However, most of the times stereotypes are inaccurate.

Attractiveness is a powerful stereo type. We assume that attractive individuals are also warm, kind, sensitive, poised, sociable, outgoing, independent, and strong. Are attractive people sociable, outgoing, independent, and strong? Are attractive peoplereally like this? Certainly all of them are not.

In organizations, we frequently hear comments that represent stereo types based on gender, age, nationality etc. From a perceptual stand point, if people expect tosee this stereo type, that is what they will perceive, whether it's accurate or not.

1. Halo Effect: The halo error in perception is very similar to stereo typing. Where as in stereo typing the person is perceived according to a single category, under the halo effect the person is perceived on the basis of one trait.

When we draw a general impression about an individual based on a single characteristic, such as intelligence, sociability or appearance, a halo effect is operating. The propensity for the halo effect to operate is not random. Research suggests it is likely to be most extreme when the traits to be perceived are ambiguous in behavioural terms, when the traits have moral over tones, and when the perceiver is judging traits with which he or she has limited experience. Example of halo effect is the extremely attractive women secretary who is perceived by her male boss as being an intelligent, good performer, when, in fact, she is a poor typist.

1. First-impression error: Individuals place a good deal of importance on first impressions. First impressions are lasting impressions. We tend to remember what we perceive first about a person, and some times we are quite reluctant to change our initial impressions. First - impression error means the tendency to form lasting opinions about an individual based on initial perceptions. Primacy effects can be particularly dangerous in interviews, given that we form first impressions quickly and that these impressions may be the basis for long-term employment relationships.
2. Contrast Effect: Stimuli that contrast with the surrounding environment are more likely to be selected for attention than the stimuli that blends in. A contrasting effect can be caused by colour, size or any other factor that is unusual (any factor that distinguishes one stimulus from others at present). For example, a man walking down the street with a pair of crutches is more attention getting than a common man. A contrast effect is the evaluation of a person's characteristics that are affected by comparisons with other people recently encountered that rank higher or lower on the same characteristics. The "contrast" principle essentially states that external stimuli that stands out against the background or which are not what are expecting well receive their attention. The contrast effect also explains why a male students tands out in a crowd of female students. There is nothing unusual about the male students but, when surrounded by females, he stands out.

An illustration of how contrast effects operate in an interview situation in which one sees a pool of job applicants. Distortions in any given candidate's evaluation can occur as a result of his or her place in the interview schedule. The candidate is likely to receive a more favourable evaluation if preceded by mediocre applicants, and a less favourable evaluation if preceded by strong applicants.

1. Projection: It is easy to judge others if we assume they are similar to us. This tendency to attribute one's own characteristics to other people is called projection.

Projection can distort perceptions made about others. People who engage inprojection tend to perceive others. According to what they they are like rather than according to what the person being observed is really like. When managers engage in projection, they compromise their ability to respond to individual differences.

They tend to see people as more homogeneous than they really are.

1. Implicit Personality Theories: We tend to have our own mini-theories about how people look and behave. These theories help us organize our perceptions and take shortcuts instead of integrating new information all the time. Implicit-personality theory is opinions formed about other people that are based on our own mini theories about how people behave. For example we believe that girls dressed in fashionable clothes will like modern music and girls dressed in traditional dress like saree will like Indian classical music. These implicit personality theories are barriers because they limit out ability to take in new information when it is available.
2. Self-Fulfilling Prophecies: Self-fulfilling prophecies are the situation in which our expectations about people affect our interaction with them in such a way that our expectations are fulfilled. Self -fulfilling prophecy is also known as the **Pygmalion effect,**named after a sculptor in Greek mythology who carved a statue of a girl that came to life when he prayed for this wish and it was granted.

**PERSONALITY**

Personality means how a person affects others and how he understands and views himself as well as the pattern of inner and outer measurable traits and the person-situation interactions (Fred Luthans).

According to Stephen P. Robbins, personality is the sum total ways in which an individual reacts and interacts with others. It may be defined as those inner psychological characteristics that both determine and reflect how a person responds to his environment.

Personality can be defined as those inner psychological characteristics that both determine and reflect how a person responds to the environment.

**Determinants – How personality are formed?**

**1. Heredity :**Human behaviour is partly affected by heredity. The parent's qualities are passed on to the children through the molecular structure of genes located in the chromosomes. In our day to day life, so many times we use the term "Like father like son" as "Like Mother like daughter".

**2. Environment :**All personality traits are not determined by heredity. Environment also plays a very important role in the development of personality of a person. Environment comprises of culture, family, social and situational factors.

(a) **Culture :**Culture is sum total of learned believes, values and customs. Cultural factors

determine now a person acts whether independently or dependently. Culture establishes norms, attitudes and values that are passed along from generation to generation.

(b) **Family :**Families influence the behaviour of a person especially in the early stages. The

nature of such influence will depend upon the following factors :

(i) Socio-economic level of the family

(ii) Family size

(iii) Birth order

(iv) Race

(v) Religion

(vi) Parent's educational level and Geographic location.

(c) **Social :**Socialization is a process by which an infant acquires customary and acceptable behaviour. Social life has a considerable impact on the individual's behaviour. A man is known by the company he keeps. Social groups influence the behaviour of the individuals.

(d) **Situational :**Situational factors also play a very important role in determining the personality of a person. Life is a collection of experiences. Some of the events and experiences can serve as important determinants of his personality.

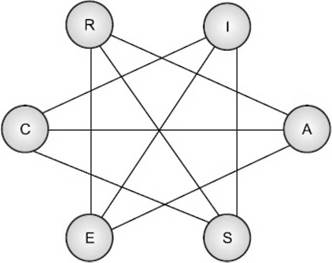
**The Nature of Personality**

Three distinct properties are of central importance in the study of the nature of personality:

**1. Personality reflects individual differences:**For instance, some people can be described as "high" in venturesomeness, e.g., willing to accept the risk of doing something new or different, such as skydiving or mountain climbing, whereas others can be described as "low" in venturesomeness, e.g., afraid to buy a really new product.

**2. Personality is consistent and enduring:**Even though consumers' personalities may be consistent, their consumption behavior often varies considerably because of the various psychological, socio-cultural, environmental and situational factors that affect behavior. For instance, although an individual's personality may be relatively stable, specific needs or motives, attitudes, reactions to group pressures and even responses to newly available brands may cause a change in the person's behavior. Personality is only one of a combination of factors that influence how a consumer behaves.

**3. Personality can change:**For instance, an individual's personality may be altered by major life events, such as the birth of a child, the death of a loved one, a divorce, or a significant career promotion. An individual's personality changes not only in response to abrupt events but also part of a gradual maturing process.



**Occupational Personality Types**

R = Realistic (Physical activities that require skill, strength and cooperation) I = Investigative (Activities that involve thinking, organizing and understanding) A = Artistic (Ambiguous and unsystematic activities that allow creative expression) S = Social (Activities that involve helping and developing others)

E = Enterprising (Verbal activities in which there are opportunities to influence and attain power C = Conventional.

**Personality**

It is a set of traits and characteristics that form a pattern distinguishing one person from all the others. We are all very different and we need to recognize this when working with and leading others.

Group dynamics deals with the attitudes and behavioral patterns of a group. Group dynamics concern how groups are formed, what is their structure and which processes are followed in their functioning. Thus, it is concerned with the interactions and forces operating between groups.

**GROUP DYNAMICS**

Group dynamics is relevant to groups of all kinds – both formal and informal. If the UPA government has set up Group of Ministers for every governance issue, the Supreme Court of India has 27 Group of Judges committees overseeing all manner of non-judicial work in the apex court. In an organizational setting, the term groups are a very common and the study of groups and group dynamics is an important area of study.

### What is A Group?

Every organization is a group unto itself. A group refers to two or more people who share a common meaning and evaluation of themselves and come together to achieve common goals. In other words, a group is a collection of people who interact with one another; accept rights and obligations as members and who share a common identity.

#### Characteristics of a Group:

Regardless of the size or the purpose, every group has similar characteristics:

(a) 2 or more persons (if it is one person, it is not a group)

(b) Formal social structure (the rules of the game are defined)

(c) Common fate (they will swim together)

(d) Common goals (the destiny is the same and emotionally connected)

(e) Face-to-face interaction (they will talk with each other)

(f) Interdependence (each one is complimentary to the other)

**Process/Stages of Group Development/Evolution:**

Group Development is a dynamic process. How do groups evolve? There is a process of five stages through which groups pass through. The process includes the five stages: forming, storming, forming, performing, and adjourning.

#### **Forming:**

The first stage in the life of a group is concerned with forming a group. This stage is characterized by members seeking either a work assignment (in a formal group) or other benefit, like status, affiliation, power, etc. (in an informal group). Members at this stage either engage in busy type of activity or show apathy.

#### **Storming:**

The next stage in this group is marked by the formation of dyads and triads. Members seek out familiar or similar individuals and begin a deeper sharing of self. Continued attention to the subgroup creates a differentiation in the group and tensions across the dyads / triads may appear. Pairing is a common phenomenon. There will be conflict about controlling the group.

#### **Norming:**

The third stage of group development is marked by a more serious concern about task performance. The dyads/triads begin to open up and seek out other members in the group. Efforts are made to establish various norms for task performance.

Members begin to take greater responsibility for their own group and relationship while the authority figure becomes relaxed. Once this stage is complete, a clear picture will emerge about hierarchy of leadership. The norming stage is over with the solidification of the group structure and a sense of group identity and camaraderie.

#### **Performing:**

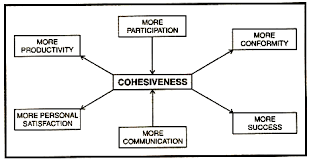
This is a stage of a fully functional group where members see themselves as a group and get involved in the task. Each person makes a contribution and the authority figure is also seen as a part of the group. Group norms are followed and collective pressure is exerted to ensure the Process of Group effectiveness of the group.

The group may redefine its goals Development in the light of information from the outside environment and show an autonomous will to pursue those goals. The long-term viability of the group is established and nurtured.

### Meaning of Cohesiveness:

Group cohesiveness is one of the characteristic features of the groups, which is very important from behaviouristic point of view. Cohesiveness is the degree to which the group members are attracted to each other and are motivated to stay in the groups. Cohesiveness defines the degree of closeness that the members feel with the groups. It is understood as the extent of liking each member has towards others in the group and how far everyone wants to remain as a member of the group.

“Cohesiveness refers to the extent of unity ‘in the group and is reflected in members’ conformity to the norms of the group, feeling of attraction for each other and wanting to be co-members of the group.” Attraction, cohesiveness and conformity are all intertwined. The more the members feel attracted to the group, the greater will be the group cohesiveness. The greater the cohesiveness, the greater the influence of the group members to persuade one another to conform to the group norms. The greater the conformity, the greater the identity of the members to the group and the greater the group cohesiveness.



### Consequences of Cohesiveness:

Group cohesiveness has only positive consequences.

These positive outcomes are explained in detail as follows:

#### 1. More Participation:

Higher the degree of group cohesiveness, closer will be the interpersonal relationships among the members. As a result members will participate actively in group affairs and activities. As the members consider the group as their own, just like a family, they will help other members of the group in times of need which will further strengthen their bonds. The turnover of members will be very low. If possible, all the members attend the group meetings and group activities and take active part in discussions relating to preparing of strategies for achieving individual and group goals.

#### 2. More Conformity:

ADVERTISEMENTS:

One of the factors which influence cohesiveness is similarity of attitudes and values. As a result, members tend to like each other and perceive themselves as similar. These characteristics lead members to be relatively dependent on the group for satisfaction and, thus, they are susceptible to being influenced. For example, if any member is getting involved in organisational politics for enhancing his personal goals, the group might put social pressure on him and make him comply with the group norms.

#### 3. More Success:

Cohesiveness and success are mutually dependent upon each other. Cohesiveness makes the goal achievement easier and goal achievement adds to success. The reason for this relationship is that higher degree of cohesiveness leads to high degree of communication, participation and conformity to group norms. Such coordinated efforts result in agreement about the goals to be achieved, the methods of achieving them and finally achieving the final goals.

#### 4. More Communication:

Members of cohesive groups communicate with each other more than the members of non-cohesive groups. Because the members share common ideologies, goals, backgrounds or attitudes, they are inclined to greater communicativeness. Such communication is reinforcing as it tends to foster and cement positive social relations as well as depth in personal relationships.

#### 5. More Personal Satisfaction:

Members of cohesive groups are more satisfied as compared to members of non-cohesive groups. Thus is understandable because if members are not satisfied they will leave the group and join some other group. Members are more satisfied due to so many factors which include friendliness, respect, support, achievement, protection and a feeling of security.

#### 6. High Productivity:

Cohesiveness may contribute to increased productivity because:

(i) People in cohesive groups experience fewer work related anxieties and tensions

(ii) Highly cohesive groups tend to have lower absenteeism and turnover and

(iii) Cohesiveness decreases productivity differences among groups.

Studies consistently show that the relationship of cohesiveness and productivity depends on the performance related norms established by the group. If performance related norms are high, a cohesive group will be more productive than will a less cohesive group. But if cohesiveness is high and performance norms are low, productivity will be low.

If cohesiveness is low and performance norms are high, productivity increases but less than in high cohesiveness-high norms situation. Where cohesiveness and performance related norms are both low, productivity will tend to fall into the low to moderate range

GROUP BEHAVIOUR

A group can be defined as two or more interacting and interdependent individuals who come together to achieve particular objectives. A group behavior can be stated as a course of action a group takes as a family. For example − Strike.

## Types of Groups

There are two types of groups individuals form. They are formal groups and informal groups. Let us know about these groups.

### Formal Groups

These are the type of work groups created by the organization and have designated work assignments and rooted tasks. The behavior of such groups is directed toward achieving organizational goals.



Formal groups can be further classified into two sub-groups −

* Command Group − It is a group consisting of individuals who report directly to the manager.
* Interest Group − It is a group formed by individuals working together to achieve a specific objective.

### Informal Groups

These groups are formed with friendships and common interests.



These can be further classified into two sub-groups −

* Task group − Those working together to finish a job or task is known as a task group.
* Friendship group − Those brought together because of their shared interests or common characteristics is known as friendship group.

For example − A group of workers working on a project and reporting to the same manager is considered as command group, while a group of friends chilling out together is considered as an interest group or say members of a club.

## Why Do People Join Groups

There is no particular reason answering why individuals join groups. Group helps individuals to feel stronger, have fewer self-doubts, and be more contrary to threats. The following points helps us understand the need of joining a group by individuals.

* Security mirrors strength in numbers.
* Status pinpoints a prestige that comes from belonging to a specific group.
  + Inclusion in a group is considered as important as it provides recognition and status.
* Self-esteem transmits people's feeling of self-worth.
  + Membership can sometimes raise feelings of self-esteem like being accepted into a highly valued group.
* Affiliation with groups can meet one's social needs.
  + Work groups significantly contribute to meet the need for friendships and social relations.
* One of the appealing attitudes of groups is that they represent power.
  + What mostly cannot be achieved individually becomes possible with group effort.
* Power might be aimed to protect themselves from unreasonable demands.
* Informal groups additionally provide options for individuals to practice power.
* Finally, people may join a group for goal achievement.
  + Sometimes it takes more than one person to accomplish a particular task.

## Group Roles

The concept of roles is applicable to all employees within an organization as well as to their life outside the organization. A role is a set of expected behavior patterns attributed to the one who occupies the position demanded by the social unit.

Individuals play multiple roles at the same time. Employees attempt to understand what kind of behavior is expected from them. An individual when presented by divergent role expectations experiences role conflict.

Group roles are divided into three types −

### Task-oriented Roles

Roles allotted to individuals according to their work and eligibility is known as task-oriented roles. Task-oriented roles can broadly divide individuals into six categories initiator, informer, clarifier, summarizer, reality tester and information seekers or providers respectively.

* Initiator − The one who proposes, suggests, defines.
* Informer − The one who offers facts, expresses feelings, gives opinions.
* Clarifier − The one who interprets, defines, clarifies everything.
* Summarizer − The one who links, restates, concludes, summarizes.
* Reality Tester − The one who provides critical analysis.
* Information seekers or providers − The one who gives information and data.

These roles present the work performed by different individual according to their marked designation.

### Relationship-oriented Roles

Roles that group individuals according to their efforts made to maintain healthy relationship in the group and achieve the goals are known as relationship-oriented roles. There are five categories of individuals in this category − harmonizer, gate keeper, consensus tester, encourager, and compromiser.

* Harmonizer − The one who limits tension and reconciles disagreements.
* Gate Keeper − The one who ensures participation by all.
* Consensus Tester − The one who analyzes the decision-making process.
* Encourager − The one who is warm, responsive, active, shows acceptance.
* Compromiser − The one who admits error and limits conflict.

These roles depict the various roles an individual plays to maintain healthy self as well as group relationships.

### Individual Roles

Roles that classify a person according to the measure of individual effort put in the project aimed is known as individual roles. Five types of individuals fall into these roles − aggressor, blocker, dominator, cavalier, and avoidance.

* Aggressor − The one who devalues others, attacks ideas.
* Blocker − The one who disagrees and rebels beyond reason.
* Dominator − The one who insists superiority to manipulate.
* Cavalier − The one who takes part in a group non-productively.
* Avoidance − The one who shows special interest to avoid task.

These are the various roles a person plays in an organization.

## Well-Functioning Groups

We know what a group is, why it is important to form a group, and what the group-oriented roles are. Now we need to know how to mark a group as a well-functioning group, what features are necessary for a group to mark it as an efficient one.

A group is considered effective when it has the following characteristics −

* Atmosphere is relaxed, comfortable, and friendly.
* Task to be executed are well understood and accepted.
* Members listen well and actively participate in given assignments.
* Assignments are made clear and are accepted.
* Group is acquainted of its operation and function.
* People express their feelings and ideas openly.
* Consensus decision-making process is followed.
* Conflict & disagreement center regarding ideas or method.

### Group Behavior – Example

Let us understand group behavior with the help of an example.

To work on a specific project, we make a group of four members: Rohit, Raj, Sid, and Rahul. It is not possible for anyone of them to complete the project individually, as it may be time-consuming as well as not all the members as individuals have mastered the skills required to complete the project. This indicates the need to come together as a group.

Moving ahead, now let us specify their roles. Rohit is the initiator as he proposes the idea of the project. Raj collects all the information and resources required for the project and becomes the informer. Sid is the clarifier as he interprets the data and saves refined information, while Rahul is the summarizer as he concludes the result of project stating what is to be achieved by the end of the project. These are the task-oriented roles.

When a group of people come together and present their ideas there is a fair chance of collision. Rohit tries to resolve all the disagreements and disputes in the first place and acts as a harmonizer, Sid makes sure that everybody is giving their full support and effort in the project and acts as a gate keeper, Raj is the one encouraging everyone and motivating them when they fail to try harder to complete the project and is the encourager, and Rahul tests the project at each stage and examines the major decision to be made and is acts as the consensus tester. These are the relationship-oriented roles of each member.

Individually each of them have different tasks to fulfill. Rohit tries to be the group leader and impose his ideas on others and we consider him as the dominator, Rahul is always up with excuses to avoid the task given to him and acts as avoider, Raj is the one who opposes everything but is never up with some new idea and becomes the blocker and Sid takes part in every group activity in a non-productive way and becomes the cavalier.

**GROUP DECISION MAKING**

Group decision-making commonly known as collaborative decision-making is a situation faced when individuals collectively make a choice from the alternatives before them.

The decision is then no longer attributable to any individual group member as all the individuals and social group processes like social influence contribute to the decision outcome.

The decisions made by groups are mostly different from those made by individuals. For example, groups tend to make decisions that are more extreme than those made by individual members, as individuals tend to be biased.



## Advantages of Group Decision Making

Group decision making has two advantages over individual decision making.

### Synergy

It is the idea that the whole is greater than the aggregate of its parts. When a group makes a decision collectively, its judgment can be powerful than that of any of its members. Through discussing, questioning, and collaborative approach, group members can identify more complete and robust solutions and recommendations.

### Sharing of information

Group decisions take into account a wider scope of information as each group member may contribute distinct information and expertise. Sharing information increases understanding, clarifies issues, and facilitates movement towards a collective decision.

## Disadvantages of Group Decision Making

The major disadvantages of group decision making are as follows −

### Diffusion of Responsibility

Group decision making results in distribution of responsibility that results in lack of accountability for outcomes. In this way, everyone is responsible for a decision, and no one really is. Moreover, group decisions can make it easier for members to refuse personal responsibilities and blame others for bad decisions.

### Lower Efficiency

Group decisions can sometimes be less efficient than individual decisions. It takes additional time because there is a need of active participation, discussion, and coordination among group members. Without good facilitation and structure, meetings can get eliminated in trivial details that may matter a lot to one person but not to the others.

### Groupthink

One of the biggest disadvantage of effective group decision making is groupthink. It is a psychological phenomenon that occurs within a group of people in which the wish for harmony or conformity results in an illogical or dysfunctional decision-making outcome.

By refraining themselves from outside influences and actively suppressing opposing viewpoints in the interest of minimizing conflict, group members reach a consensus decision without critical evaluation of substitute viewpoints.

Groupthink sometimes produces dehumanizing actions against the out-group.

## Group Decision-Making Techniques

In order to eliminate group think and group shift from a group, we can use four different techniques that will help us make a collaborative decision that is best for the group. These techniques are −

* Brainstorming
* Nominal group thinking
* Didactic technique
* Delphi technique

### Brainstorming

This technique includes a group of people, mostly between five and ten in number, sitting around a table, producing ideas in the form of free association. The main focus is on generation of ideas and not on evaluation of these ideas.

If more ideas can be originated, then it is likely that there will be a unique and creative idea among them. All these ideas are written on the blackboard with a piece of chalk so that all the team members can see every idea and try to improvise these ideas.

Brainstorming technique is very effective when the problem is comparatively precise and can be simply defined. A complex problem can be divided into parts and each part can be dealt with separately at a time.

### Nominal Group Thinking

This technique is similar to brainstorming except that this approach is more structured. It motivates individual creativity. Members form the group for namesake and operate independently, originate ideas for solving the problem on their own, in silence and in writing. Members do not communicate well with each other so that strong personality domination is evaded.

The group coordinator either collects the written ideas or writes them on a large blackboard so that each member of the group can see what the ideas are. These ideas are further discussed one by one in turn and each participant is motivated to comment on these ideas in order to clarify and improve them. After all these ideas have been discussed, they are evaluated for their merits and drawbacks and each actively participating member is needed to vote on each idea and allot it a rank on the basis of priority of each alternative solution.

The idea with the highest cumulative ranking is selected as the final solution to the problem.

### Didactic Interaction

This technique is applicable only in certain situations, but is an excellent method when a situation actually demands it. The type of problem should be such that it generates output in the form of yes or no. Say for example, a decision is to be made whether to buy or not to buy a product, to merge or not to merge, to expand or not to expand and so on. These types of decision requires an extensive and exhaustive discussion and investigation since a wrong decision can have serious consequences.

There are many advantages as well as disadvantages of this type of situation. The group that makes the decision is divided into two sub-groups, one in favor of the “go” decision and the opposing in favor of “no go” decision.

The first group enlists all the “pros” of the problem solution and the second group lists all the “cons”. These groups meet and discuss their discoveries and their reasons.

After tiring discussions, the groups switch sides and try to find weaknesses in their own original standpoints. This interchange of ideas and understanding of various viewpoints results in mutual acceptance of the facts as they exist so that a solution can be put together around these facts and ultimately a final decision is reached.

### Delphi Technique

This technique is the improvised version of the nominal group technique, except that it involves obtaining the opinions of experts physically distant from each other and unknown to each other.

This isolates group members from the undue influence of others. Basically, the types of problems sorted by this technique are not specific in nature or related to a particular situation at a given time.

For example, the technique could be used to explain the problems that could be created in the event of a war. The Delphi technique includes the following steps −

* The problem is first identified and a panel of experts are selected. These experts are asked to provide potential solutions through a series of thoughtfully designed questionnaires.
* Each expert concludes and returns the initial questionnaire.
* The results of the questionnaire are composed at a central location and the central coordinator prepares a second set of questionnaire based on the previous answers.
* Each member receives a copy of the results accompanied by the second questionnaire.
* Members are required to review the results and respond to the second questionnaire. The results typically trigger new solutions or motivate changes in the original ideas.
* The process is repeated until a general agreement is obtained

**UNIT III**

**Leadership**

Leaders and their leadership skills play an important role in the growth of any [organization](https://www.toppr.com/guides/business-studies/organising/intro-to-organisation-and-its-importance/). Leadership refers to the process of [influencing](https://www.toppr.com/guides/chemistry/chemicals-kinetics/factors-influencing-rate-of-a-reaction/) the behaviour of people in a manner that they strive willingly and enthusiastically towards the achievement of group objectives.

A leader should have the ability to maintain good interpersonal relations with the followers or subordinates and motivate them to help in achieving the organizational objectives.

## Features of Leadership

* Influence the behaviour of others: Leadership is an ability of an individual to influence the [behaviour](https://www.toppr.com/guides/economics/theory-of-consumer-behaviour/) of other employees in the [organization](https://www.toppr.com/guides/business-management-entrepreneurship/organizing/structure-of-organization/) to achieve a common purpose or goal so that they are willingly co-operating with each other for the fulfillment of the same.
* Inter-personal process: It is an interpersonal process between the leader and the followers. The relationship between the leader and the followers decides how efficiently and effectively the targets of the organization would be met.
* Attainment of common organizational goals: The purpose of leadership is to guide the people in an organization to work towards the attainment of common organizational goals. The leader brings the people and their efforts together to achieve common goals.
* Continuous process: Leadership is a continuous [process](https://www.toppr.com/guides/business-management-and-entrepreneurship/human-resource-management/selection-process/). A leader has to guide his employees every [time](https://www.toppr.com/guides/quantitative-aptitude/work-and-time/) and also monitor them in order to make sure that their efforts are going in the same direction and that they are not deviating from their goals.
* Group process: It is a group process that involves two or more people together interacting with each other. A leader cannot lead without the followers.
* Dependent on the situation: It is situation bound as it all depends upon tackling the situations present. Thus, there is no single best [style of leadership](https://www.toppr.com/guides/fundamentals-of-economics-and-management/leadership-and-management/leadership-style/).



## **Importance of Leadership:**

* Initiating Action: Leadership starts from the very beginning, even before the work actually starts. A leader is a person who communicates the policies and plans to the subordinates to start the work.
* Providing Motivation: A leader motivates the employees by giving them [financial and non-financial incentives](https://www.toppr.com/guides/business-studies/directing/incentives/) and gets the work done efficiently. Motivation is the driving force in an individual’s life.
* Providing guidance: A leader not only supervises the employees but also guides them in their work. He instructs the subordinates on how to perform their work effectively so that their efforts don’t get wasted.
* Creating confidence: A leader acknowledges the efforts of the employees, explains to them their role clearly and guides them to achieve their goals. He also resolves the complaints and problems of the employees, thereby building confidence in them regarding the organization.
* Building work environment: A good leader should maintain personal contacts with the employees and should hear their problems and solve them. He always listens to the point of view of the employees and in case of disagreement persuades them to agree with him by giving suitable clarifications. In case of conflicts, he handles them carefully and does not allow it to adversely affect the entity. A positive and efficient work [environment](https://www.toppr.com/guides/geography/environment/environment/) helps in stable growth of the organization.
* Co-ordination: A leader reconciles the personal interests of the employees with the organizational goals and achieves co-ordination in the entity.
* Creating Successors: A leader trains his subordinates in such a manner that they can succeed him in future easily in his absence. He creates more leaders.
* Induces change: A leader persuades, clarifies and inspires employees to accept any change in the organization without much resistance and discontentment. He makes sure that employees don’t feel insecure about the changes.

Often, the success of an organization is attributed to its leaders. But, one must not forget that it’s the followers who make a leader successful by accepting his [leadership](https://www.toppr.com/guides/fundamentals-of-economics-and-management/leadership-and-management/characteristics-of-leadership-and-qualities-of-a-good-leader/). Thus, leaders and followers collectively play a key role to make leadership successful.

## **Qualities of a Leader**

* Personality: A pleasing personality always attracts people. A leader should also friendly and yet authoritative so that he inspires people to [work](https://www.toppr.com/guides/quantitative-aptitude/work-and-time/days-from-work/) hard like him.
* Knowledge: A subordinate looks up to his leader for any suggestion that he needs. A good leader should thus possess adequate knowledge and competence in [order](https://www.toppr.com/guides/maths/differential-equations/order-and-degree-of-a-differential-equation/) to influence the subordinates.
* Integrity: A leader needs to possess a high level of integrity and honesty. He should have a fair outlook and should base his judgment on the facts and logic. He should be objective and not biased.
* Initiative: A good leader takes initiative to grab the opportunities and not wait for them and use them to the advantage of the organization.
* [Communication skills](https://www.toppr.com/guides/business-communication-and-ethics/intro-to-business-communication/)*:*A leader needs to be a good communicator so that he can explain his ideas, policies, and procedures clearly to the people. He not only needs to be a good speaker but also a good listener, counsellor, and persuader.
* Motivation skills: A leader needs to be an effective motivator who understands the needs of the people and motivates them by satisfying those needs.
* Self-confidence and Will Power: A leader needs to have a high level of self-confidence and immense will-power and should not lose it even in the worst situations, else employees will not believe in him.
* Intelligence: A leader needs to be intelligent enough to analyze the pros and cons of a situation and take a decision accordingly. He also needs to have a vision and fore-sightedness so that he can predict the future impact of the decisions taken by him.
* Decisiveness: A leader has to be decisive in managing his work and should be firm on the decisions are taken by him.
* Social skills: A leader should possess empathy towards others. He should also be a humanist who also helps the people with their personal problems. He also needs to possess a sense of responsibility and accountability because with great authority comes great responsibility.

### **Leadership Styles**

* **Autocratic leadership style**: It refers to a leadership style where the leader takes all the decisions by himself.
* **Democratic leadership style**: It refers to a style where the leader consults its subordinates before taking the final decision.
* **Laissez-faire or Free-rein leadership style:** It refers to a style where the leader gives his subordinates complete freedom to take the decisions.

**Qualities of effective Leadership**

As well as providing direction, inspiration, and guidance, good leaders exhibit courage, passion, confidence, commitment, and ambition. They nurture the strengths and talents of their people and build teams committed to achieving common goals. The most effective leaders have the following traits in common.

Share Their Vision

A leader with vision has a clear idea of where they want to go, how to get there and what success looks like. Be sure to articulate your vision clearly and passionately, ensuring your team understands how their individual efforts contribute to higher level goals. Personally working toward your vision with persistence, tenacity, and enthusiasm will inspire and encourage others to do the same.

Lead By Example

As a leader, the best way to build credibility and gain the respect of others is to set the right examples. Demonstrate the behavior that you want people to follow. If you demand a lot of your team, you should also be willing to set high standards for yourself. Aligning your words and actions will help to build trust and make your team more willing to follow your example.

Demonstrate Integrity

A leader with integrity draws on their values to guide their decisions, behavior, and dealings with others. They have clear convictions about what is right and wrong and are respected for being genuine, principled, ethical and consistent. They have a strong sense of character, keep their promises, and communicate openly, honestly and directly with others. Displaying integrity through your daily actions will see you rewarded with loyalty, confidence, and respect from your employees.

Communicate Effectively

The ability to communicate clearly, concisely and tactfully is a crucial leadership skill. Communication involves more than just listening attentively to others and responding appropriately. It also includes sharing valuable information, asking intelligent questions, soliciting input and new ideas, clarifying misunderstandings, and being clear about what you want. The best leaders also communicate to inspire and energize their staff.

Make Hard Decisions

To be an effective leader, the ability to make fast, difficult decisions with limited information is critical. When facing a tough decision, start by determining what you are trying to achieve. Consider the likely consequences of your decision and any available alternatives. Make your final decision with conviction, take responsibility for it and follow it through. Being a resolute and confident decision-maker will allow you to capitalize on opportunities and earn the respect of your team.

Recognize Success

Frequently and consistently recognizing achievement is one of the most powerful habits of inspiring leaders. For people to stretch themselves and contribute their best efforts, they need to know their work will be valued and appreciated. Find ways to celebrate the achievements of your people, even if it’s through a simple ‘well done.’ As well as boosting morale, it will also strengthen their motivation to continue giving their best.

Empower Others

Great leaders understand that for people to give their best, they must have a sense of ownership over their work and believe that what they’re doing is meaningful. Communicate clear goals and deadlines to your team, and then give them the autonomy and authority to decide how the work gets done. Challenge them with high expectations and encourage them to be creative and show innovation.

Motivate and Inspire

The best leaders drive their team forward with passion, enthusiasm, inspiration and motivation. Invest time in the people you lead to determine their strengths, needs, and priorities. As well as making them feel valuable, this will help you to understand the best way to motivate them. Continually reinforce how their efforts are making a difference, and encourage the development of their potential with meaningful goals and challenges

**Power – Types of Power**

Power has been an important aspect of human civilization since time immemorial. Power might be physical, political or social. In the context of business as well, power dynamics tend to influence decisions and people transactions heavily. So defining power can be difficult as it is understood and interpreted in several ways however power can definitely not be called a force which gets you what you want. Power basically emanates from position or authority which can influence people both positively and negatively.

For simplicity and understanding purposes power is usually classified into following categories:

1. Coercive Power- This kind of power involves the usage of threat to make people do what one desires. In the organizational set up, it translates into threatening someone with transfer, firing, demotions etc. it basically forces people to submit to one’s demand for the fear of losing something.
2. Reward Power- As the name suggests, this type of power uses rewards, perks, new projects or training opportunities, better roles and monetary benefits to influence people. However an interesting aspect of this type of power is that, it is not powerful enough in itself, as decisions related to rewards do not rest solely with the person promising them, because in organizations, a lot of other people come into play like senior managers and board.
3. Legitimate Power- This power emanates from an official position held by someone, be it in an organization, beurocracy or government etc. The duration of this power is short lived as a person can use it only till the time he/she holds that position, as well as, the scope of the power is small as it is strictly defined by the position held.
4. Expert Power- This is a personal kind of power which owes its genesis to the skills and expertise possessed by an individual, which is of higher quality and not easily available. In such a situation, the person can exercise the power of knowledge to influence people. Since, it is very person specific and skills can be enhanced with time; it has more credibility and respect.
5. Referent Power- This is a power wielded by celebrities and film stars as they have huge following amongst masses who like them, identify with them and follow them. Hence, they exert lasting influence on a large number of people for a large number of decisions; like from what car to buy to which candidate to choose for a higher office in the country.

So, power can be defined in a number of ways however what is important is the usage of the power by people who possess it. Within the organizational context the power dynamics and equations need to be carefully managed as they have a huge impact on the motivation and engagement level of employees. It also defines the organization’s culture in general and people transactions within the organization in particular. A very hierarchy and power driven organization finds it difficult to accommodate new and innovative ideas, any change is vehemently refused, egos clash and lesser opportunities are made available for the high performers, thus delaying organizational growth. On the other hand, in an organization which is flat in structure, people are encouraged to innovate and explore, thus bringing in new concepts and ideas to accelerate organizational growth and expansion.

**UNIT – IV**

### Meaning of Authority:

Authority is the formal right to do the work.

Henry Fayol defined the authority as “***the right to give orders and the power to exact obedience. Authority gives the management the power to enforce obedience. It is the power to give orders and make sure that these orders are obeyed.***”

According to Simon, authority may be defined as **“*the power to make decisions which guide the actions of another. It is a relationship between two individuals—one supervisor, the subordinate. The superior frames and transmits decisions with the expectation that they will be accepted by the subordinate. The subordinate expects such decisions, and his conduct is determined by them***.”

The authority exercised is a kind of legitimate power and people follow figures exercising it, because their positions demand so irrespective of the person holding the position. Leaders in organizations and elsewhere may have formal authorities but they mostly rely on the informal authority that they exercise on people to influence them.

Leaders are trusted for their judgment and respected for their expertise, integrity etc and hence followed and not because they hold a certain position. For e.g. M.K. Gandhi for most part did not hold any official position to lead the Indian freedom struggle.

It is also important to understand that a formal authority and power emerging from it, might not always be able to influence people in the desired manner as; in times of crisis and difficulties people view it as coercion. On the other hand leadership tends to create followers out of free will and choice without forcing them to accept anything thrown their way. Authority rarely provides a scope for feedback, constructive criticism or opinions of the people on whom it is exercised however leaders provide ample platform to their followers to voice their thoughts and feedback.

When dealing with adults, the sole use of authority to direct and discipline them hardly works, leadership provides a better approach of sharing and involving thus building rapports with followers and creating long term relationships. Authority can hardly make people change their attitudes and behaviors with lasting effects and results however a leader inspires followers through self modeled ways and hence leadership displays greater effectiveness in addressing attitudes and behaviors of people.

Exercising authority sometimes limits the approaches to arrive at solutions for issues and problems while leadership encourages people to look beyond the obvious and think innovatively and sometimes emerge with radical solutions.

Apart from it, the biggest difference between the two as cited by Stephen R Covey is the moral authority held by leaders over the followers which is absent in the case of power from authority. Within the organizational setup when leaders also have moral authority on their subordinates by establishing a synchrony in their words and actions; the rest of the structure and processes of the organization also get aligned to it, thus creating a robust and transparent culture.

Authoritative way of working also encourages individuals to work in silos while in the organizations of today; the leaders need to have a complete picture and coordinate with other functions and departments as and when required. It is indeed difficult for mangers and leaders to move out of their circle of authority and coordinate and interact with external people. However the need of the hour and the more effective approach to leadership and management is when leaders come out of their comfort zone and move from exercising authority on a small group to leading the entire organization.

### **Types of Authority:**

Basically the following types of authority are given below:

1. Legal Authority.

2. Traditional or Formal or top-down Authority.

3. Acceptance or Bottom-up Authority.

4. Charismatic Authority.

5. Competence or personal Authority.

#### 1. Legal Authority:

The authority is based upon the rank of the person in the organisation and such authority may be given by law or by social norms, rules and regulations protected by law. For example, law has granted a place officer, the authority to arrest anyone who has committed a crime. Similarly, the president of a company has the right to fire an employee because that is how the rules and policies of the company have been established.

This type of authority is similar to power, which is the capacity to secure dominance of one’s goals and beliefs. This authority has been called formal authority, which has been legalised through social institutes, which attain and enforce group goals, objectives and welfare through a maze of laws, codes, cultures and ethics.

This type of authority is embedded in the bureaucracy where the authority is bestowed upon contractually hired and appointed officials.

For example, shareholders of an organisation give the authority to Board of Directors, who in turn pass it on to the Chief Executive and so on The shareholders have this authority, to start with, because, they bought the shares in the company and society, through its complex structure, gives them this authority, to start with, because, they bought the shares in the company and society, through its complex structure, gives them this authority.

While bureaucracy is the purest form of legal authority, other forms of such authority may comprise of rotating office holders, elected officials or office holders chosen by lot. They have similar authority since they must follow the same rules and regulations, which govern their positions and define the limits of their authority.

Some examples are the elected officials, such as the president of a country or a member of parliament or a community leader.

#### 2. Traditional Authority:

This authority is based upon the belief in traditions and the legitimacy of the status of people exercising authority through those traditions. Such traditions have evolved from a social order and communal relationships in the form of the ruling **“Lord”** and the obedient **“subjects”.**

The obedience results on the promise of traditional**“piety”** and traditional respect and identity of the **“Lord”** or the King or the tribal chief. The traditional chief generally makes rules and decisions at his own pleasure.

Traditional authority has flowed from the top of the organisation to the bottom, from the owners or stockholders to the board of directors to the president to the vice-presidents to middle managers to supervisors to workers. Figure 7.1 illustrates this traditional top-down flow of legitimate authority, with referent, expert, coercive and reward power also influencing the acceptance of formal authority.

The bases of power or influence do not constrain the use of authority, but rather affect how the authority is exerted and accepted.

#### 3. Acceptance Theory of Authority:

The acceptance theory of authority presents a contrast to the traditional formal view of authority. According to the acceptance theory, authority in the ultimate analysis depends on the acceptance or consent of the people who are managed (subordinates) rather than legitimacy, or any legal, social or cultural norms.

If the subordinates don’t accept the command of their superior, the superior cannot be said to have any authority with reference to them.

Chester Barnad, in 1938, began writing about organisations being ‘co-operative systems’ and proposed the ‘acceptance theory or bottom-up theory of authority”. He argued that management has only as much authority or power as subordinates is willing to accept and to the extent they consent to comply with directives.

Barnard suggested that at least four conditions must be met for subordinates to comply with authoritative communication.

a. The communication is fully understood.

b. At the time of decision, the employee believes the directive is consistent with the objectives of the organisation.

c. At the time of decision, the employees believe the command is compatible with personal interests and objectives.

d. The employees believe he or she is physically and mentally capable of complying with the communication.

#### 4. Charismatic Authority:

The Charismatic Authority rests on personal charisma of a leader who commands respect of his followers on the basis of his personality and his personal traits such as intelligence and integrity. This is especially true of religious and political leaders. The followers become highly attached to the leader partly because the leader’s goals seem to be consistent with their own needs.

A charismatic leader is a forceful orator and generally has hypnotic effect on his followers who accept his command and authority. For example, President John. F. Kennedy of America was known to have such a Charisma and hold on people that many succeeding presidential candidates tried to imitate his style.

Some organisational leaders are also known to be charismatic and responsible for the success of their organisations.

#### 5. Competency Theory of Authority:

This is also known as **“technical authority”** and is implicit in person’s special knowledge or skill. For example, when doctor advises you to rest, you accept his**“order”**because you respect his knowledge and his skills as a doctor. Again, this order will not get results unless you accept and obey and in that sense it rests on acceptance theory of authority.

**Morale**

Morale is relating to duty or obligation; pertaining to those intentions and actions of which right and wrong, virtue and vice, are predicated, or to the rules by which such intentions and actions ought to be directed; relating to the practice, manners, or conduct of men as social beings in relation to each other, as respects right and wrong, so far as they are properly subject to rule

**Importance of Morale in an organisation**

**1. Overall satisfaction:**

The other name of morale is satisfaction, which relates to needs of the individual, his job, his colleagues, supervisors and so on. So a condition of high moral means overall satisfaction, peace, harmony and stability.

**2. Productivity:**

Morale increases productivity in two ways – directly through inducing more effort and indirectly, by removing some of the handicaps like employee grievance, absenteeism, turnover and the like.

**3. Discipline:**

Where morale is high, there is practically no problem of indiscipline.

**4. Ease of management:**

High morale also reduces the need for supervision. Motivated workers themselves take the initiative to work harder and better.

**5. Better company image:**

If morale can be maintained at a high level for a long period, it will create a good image in the public mind about the company. While employees themselves may publicize its policies, working conditions and so, on absence of disputers and general atmosphere of harmony produce a favourable impact on suppliers, customers and the neighboring community

**Modern ways in which Morale can be improved in Organizations**

1. Allow employees to work flexible hours. Today, best practice workplaces offer flex-time, part-time, and work from home options.
2. Listen to the ideas and advice of your employees. Encourage them to speak up on different issues that relate to the organization or themselves. Implement their ideas if practical and let people know of their contribution.
3. Use mornings to share ideas. Bring in baked goods or provide simple breakfast supplies to kick start the day and bring the team together.
4. A management expert believes that short messages should be delivered in person. Today, we live in an era where 40 percent of emails don't have value. Rather than emailing the person who sits two floors down, just go and talk to him/her directly; it strengthens the relationship.
5. Encourage employees to sit in different parts of your office from time to time. This will offer fresh perspectives and provide insights on other parts of the organization and the roles people perform.
6. Offer employees advice on how they can strive to make the best of their careers. Reimburse them for continuing education courses, professional seminars, and lectures.
7. Run contests and awards programs. You can set a prize for something as simple as the best customer feedback received during the month.
8. Maintain a specific budget for entertainment. Arrange a team to decide the fair allocation of the budget for each quarter.
9. Celebrate the birthdays of your employees. It won't cost anything to share these special days on your intranet or other internal comms tool. And if you've got the budget, decide on a monthly way to celebrate birthdays with treats or other gestures.
10. Keep your workplace working well and reduce unnecessary stress. Make sure office supplies are always available and the kitchen is stocked with provisions.

**UNIT – V**

**Motivation**

Motivation may be defined as a planned managerial process, which stimulates people to work to the best of their capabilities, by providing them with motives, which are based on their unfulfilled needs.

“Motivation means a process of stimulating people to action to accomplish desired goods.” —William G. Scott

“Motivation is the process of attempting to influence others to do your will through the possibility of gain or reward.” — Flippo

Motivation is, in fact, pressing the right button to get the desired human behaviour.

Motivation is the word derived from the word ’motive’ which means needs, desires, wants or drives within the individuals. It is the process of stimulating people to actions to accomplish the goals. In the work goal context, the psychological factors stimulating the people’s behaviour can be -

* desire for money
* success
* recognition
* job-satisfaction
* team work, etc

One of the most important functions of management is to create willingness amongst the employees to perform in the best of their abilities. Therefore the [role of a leader](https://www.managementstudyguide.com/role_of_a_leader.htm) is to arouse interest in performance of employees in their jobs. The process of motivation consists of three stages:-

1. A felt need or drive
2. A stimulus in which needs have to be aroused
3. When needs are satisfied, the satisfaction or accomplishment of goals.

Therefore, we can say that motivation is a psychological phenomenon which means needs and wants of the individuals have to be tackled by framing an incentive plan.

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| **Maslow Need Hierarchy Model**   |  |  |  | | --- | --- | --- | | [https://www.managementstudyguide.com/images/maslow.jpg](http://managementstudyguide.com/lms/pluginfile.php/2564/mod_presentation/content/1/maslow-need-hierarchy-model-demo/index.html)   |  | | --- | |  | | | |  |  | | Human behavior is goal-directed. Motivation cause goal-directed behaviour. It is through motivation that needs can be handled and tackled purposely. This can be understood by understanding the hierarchy of needs by manager. The needs of individual serves as a driving force in human behaviour. Therefore, a manager must understand the “hierarchy of needs”. Maslow has proposed “The Need Hierarchy Model”.   |  |  |  |  | | --- | --- | --- | --- | |  |  |  |  | |  |  |  | **Esteem Needs** | |  |  | **Social Needs** |  |  | |  | **Security Needs** |  |  |  | | **Physiological Needs** |  |  |  |  | |

The needs have been classified into the following in order:

1. **Physiological needs-** These are the basic needs of an individual which includes food, clothing, shelter, air, water, etc. These needs relate to the survival and maintenance of human life.
2. **Safety needs-** These needs are also important for human beings. Everybody wants job security, protection against danger, safety of property, etc.
3. **Social needs-** These needs emerge from society. Man is a social animal. These needs become important. For example- love, affection, belongingness, friendship, conversation, etc.
4. **Esteem needs-** These needs relate to desire for self-respect, recognition and respect from others.
5. **Self-actualization needs-** These are the needs of the highest order and these needs are found in those person whose previous four needs are satisfied. This will include need for social service, meditation

**McGregor theory X and Y**

### **Assumptions of Theory X**

* An average employee intrinsically does not like work and tries to escape it whenever possible.
* Since the employee does not want to work, he must be persuaded, compelled, or warned with punishment so as to achieve organizational goals. A close supervision is required on part of managers. The managers adopt a more dictatorial style.
* Many employees rank job security on top, and they have little or no aspiration/ ambition.
* Employees generally dislike responsibilities.
* Employees resist change.
* An average employee needs formal direction.

### **Assumptions of Theory Y**

* Employees can perceive their job as relaxing and normal. They exercise their physical and mental efforts in an inherent manner in their jobs.
* Employees may not require only threat, external control and coercion to work, but they can use self-direction and self-control if they are dedicated and sincere to achieve the organizational objectives.
* If the job is rewarding and satisfying, then it will result in employees’ loyalty and commitment to organization.
* An average employee can learn to admit and recognize the responsibility. In fact, he can even learn to obtain responsibility.
* The employees have skills and capabilities. Their logical capabilities should be fully utilized. In other words, the creativity, resourcefulness and innovative potentiality of the employees can be utilized to solve organizational problems.

Thus, we can say that Theory X presents a pessimistic view of employees’ nature and behavior at work, while Theory Y presents an optimistic view of the employees’ nature and behavior at work. If correlate it with Maslow’s theory, we can say that Theory X is based on the assumption that the employees emphasize on the physiological needs and the safety needs; while Theory X is based on the assumption that the social needs, esteem needs and the self-actualization needs dominate the employees.

McGregor views Theory Y to be more valid and reasonable than Theory X. Thus, he encouraged cordial team relations, responsible and stimulating jobs, and participation of all in decision-making process.

**Herzberg’s Motivation Theory**

Herzberg’s Motivation Theory model, or Two Factor Theory, argues that there are two factors that an organization can adjust to influence motivation in the workplace.

These factors are:

* Motivators: Which can encourage employees to work harder.
* Hygiene factors: These won’t encourage employees to work harder but they will cause them to become unmotivated if they are not present.

## What is Two Factor Theory?

Herzberg’s Theory of Motivation tries to get to the root of motivation in the workplace. You can leverage this theory to help you get the best performance from your team.

The two factors identified by Herzberg are motivators and hygiene factors.

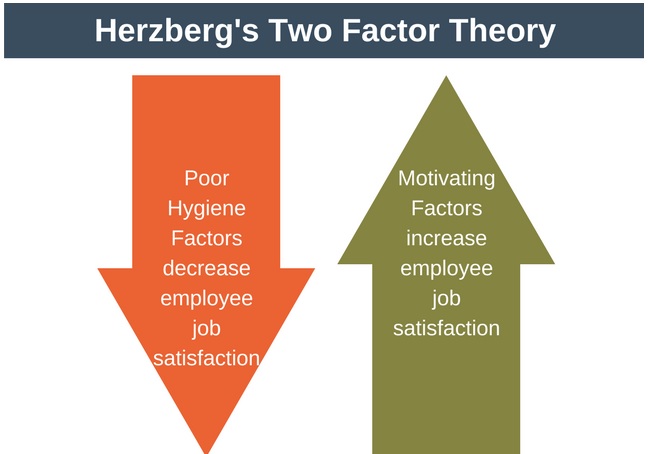
### 1. Motivating Factors

The presence of motivators causes employees to work harder. They are found within the actual job itself.

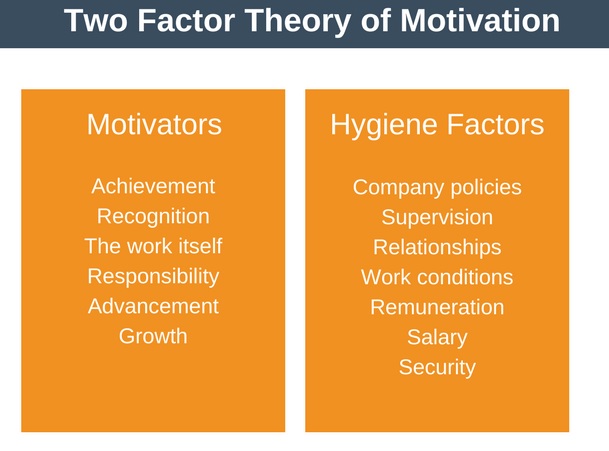
### 2. Hygiene Factors

The absence of hygiene factors will cause employees to work less hard. Hygiene factors are not present in the actual job itself but surround the job.

The impact of motivating and hygiene factors is summarized in the following diagram. Note that you will often see motivators referred to as factors for satisfaction, and hygiene factors referred to as factors for dissatisfaction.



Examples of motivating and hygiene factors are shown in the following diagram.



Motivating factors include:

* **Achievement**: A job must give an employee a sense of achievement. This will provide a proud feeling of having done something difficult but worthwhile.
* **Recognition**: A job must provide an employee with praise and recognition of their successes. This recognition should come from both their superiors and their peers.
* **The work itself**: The job itself must be interesting, varied, and provide enough of a challenge to keep employees motivated.
* **Responsibility**: Employees should “own” their work. They should hold themselves responsible for this completion and not feel as though they are being micromanaged.
* **Advancement**: Promotion opportunities should exist for the employee.
* **Growth**: The job should give employees the opportunity to learn new skills. This can happen either on the job or through more formal training.

Hygiene factors include:

* **Company policies**: These should be fair and clear to every employee. They must also be equivalent to those of competitors.
* **Supervision**: Supervision must be fair and appropriate. The employee should be given as much autonomy as is reasonable.
* **Relationships**: There should be no tolerance for bullying or cliques. A healthy, amiable, and appropriate relationship should exist between peers, superiors, and subordinates.
* **Work conditions**: Equipment and the working environment should be safe, fit for purpose, and hygienic.
* **Salary**: The pay structure should be fair and reasonable. It should also be competitive with other organizations in the same industry.
* **Status**: The organization should maintain the status of all employees within the organization. Performing meaningful work can provide a sense of status.
* **Security**: It is important that employees feel that their job is secure and they are not under the constant threat of being laid-off.

## The Four Stats

In a general sense, there are four states an organization or team can find themselves in when it comes to Two Factor Theory.

### 1. High Hygiene and High Motivation

This is the ideal situation and the one which every manager should strive for. Here, all employees are motivated and have very few grievances.

### 2. High Hygiene and Low Motivation

In this situation, employees have few grievances but they are not highly motivated. An example of this situation is where pay and working conditions are competitive but the work isn’t very interesting. Employees are simply there to collect their salary.

### 3. Low Hygiene and High Motivation

In this situation, employees are highly motivated but they have a lot of grievances. A typical example of this situation is where the work is exciting and really interesting but the pay and conditions are behind competitors in the same industry.

### 4. Low Hygiene and Low Motivation

This is obviously a bad situation for an organization or team to find itself in. Here, employees aren’t motivated and the hygiene factors are not up to scratch.

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