



ଓଡ଼ିଶା ରାଜ୍ୟ ମୁକ୍ତ ବିଶ୍ୱବିଦ୍ୟାଳୟ, ସମ୍ବଲପୁର, ଓଡ଼ିଶା  
Odisha State Open University, Sambalpur, Odisha  
Established by an Act of Government of Odisha.



# **DIPLOMA IN MANAGEMENT (DIM)**

**DIM-3**

## **Human Resource Management**

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**Introduction to Human Resource Management**

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**Perception and Learning (Understanding Individuals)**

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**DIPLOMA IN MANAGEMENT**

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## 1.1 Introduction

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As you all know and understand that out of all the M's—Men, Money, Material, Machines, Methods, Men are by far the most important resource because all other resources by themselves cannot operate. Moreover the ultimate value of all asserts depreciate over a period of time, while the value of men appreciates in many fold as years pass. It is through the combined efforts of men that all other resources are collected, coordinated and effectively utilized for the attainment of organisational objectives. Renis Likert rightly observed, “All the activities of any enterprise are initiated and determined by the persons who make up that Institution, plants, offices, computers, and all

else that make a modern firm— managing the human component is the Central and most important task, because all else depends on how well it is done.”

The management of men is a challenging task because of the dynamic nature of the people. No two persons are similar in mental abilities, liking, disliking, values, faiths, perceptions, sentiments, actions, reactions and behaviour. People are responsive because, they feel, think and act; therefore, they cannot be operated like machine, money and material. Thus human resource management is a most crucial job because “managing people is the heart and essence of being a manager.” An organisation cannot succeed if this human element is neglected.

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## 1.2 Definition of Human Resource Management

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Various scholars and experts in the domain of Personnel management/HRM have given different definitions; some of them are mentioned below for thorough understanding of our learners:

**Edwin B. Flippo** “The personnel function is concerned with the procurement, development, compensation, integration, and maintenance of the personnel of an organisation for the purpose of contributing towards the accomplishment of that organisation’s major goals or objectives. Therefore, personnel management is the planning, organising, directing, and controlling of the performance of those operative functions.”

**Dale Yoder** “Man power management effectively describes the processes of planning and directing the application, development, and utilisation of human resources in employment.”

**E.F.L. Brech** “Personnel Management is that part of management process which is primarily concerned with the human constituents of an organisation.”

**Pigors and Myres** “Personnel Administration is a method of developing the potentials of employees so that they get maximum satisfaction out of their work and give their best efforts to the organisation.”

**National Institute of Personnel Management (NIPM)** of India “Personnel management is that part of management which is concerned with people at work and with their relationship within the organisation. It seeks to bring together men and women who make up an enterprise, enabling each to make his own best contribution to its success both as an individual and as a member of a working group.”



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### 1.3 Characteristics of Human Resource Management

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On the basis of the above definitions, the following features/characteristics of human resource management can be identified:

1. It is a part of general management.
2. It concerns management of human resources.
3. It helps in the maximum development of personnel abilities so that they may feel satisfied with their work.
4. It establishes human relations at all levels in the organisation.
5. It includes planning, organisation, control and direction of man-power.
6. It is advisory in nature. It contributes to the success and growth of an organisation by advising the operating departments on personnel matters.
7. It is inter-disciplinary. It involves application of knowledge from several disciplines like psychology, sociology, anthropology, Philosophy, economics, Politics etc.
8. It is not a ‘one shot’ function but a never ending exercise and continues all the 365 days of a year.



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## 1.4 Objectives of Human Resource Management

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According to **Michael J. Jucius**, personnel management should aim at:

- (i) attaining economically and effectively the organisational goals,
- (ii) serving the individual goals to the highest possible degree and
- (iii) preserving and advancing the general welfare of the community.

**Ralph C. Davis** has divided the objectives of personnel management in an organisation into two categories:

- (a) Primary objectives
- (b) Secondary objectives.

(a) **Primary Objectives** The goal of personnel management is the creation of a work force with the ability and motivation to accomplish the basic organisational goals.

- i. To satisfy personal objectives of the members of the organisation through monetary and non-monetary devices. Monetary objectives include profit for owners, salaries/wages and other compensation for executives and employees. Non-monetary objectives include prestige, recognition, security, status etc.
- ii. Thirdly, they relate to the satisfaction of Community such as serving customers honestly and promoting a higher standard of living in the community.

(B) **Secondary Objectives** aim at achieving the primary objectives economically, efficiently and effectively.

- i. The economic need for or usefulness of the goods and services required by the community/society.
- ii. Conditions of employment for all the members of an organisation to their satisfaction and need so that they may be motivated to work for the success of the enterprise.
- iii. The effective utilisation of people and materials.
- iv. The continuity of the enterprise.

From the above discussion, the specific objectives of personnel management (HRM) may be summarised as follows:

- (i) To ensure effective utilisation of human resources.

- (ii) To establish and maintain an adequate organisational structure of relationships among all the members of an organisation.
- (iii) To generate maximum development of human resources within the organisation by offering opportunities for advancement.
- (iv) To ensure respect for human beings by providing various services and welfare facilities to the personnel.
- (v) To ensure reconciliation of individual/group goals with those of the organisation.
- (vi) To identify and satisfy the needs of individuals by offering various monetary and non- monetary rewards.
- (vii) To achieve and maintain high morale among employees by securing better human relations.




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## 1.5 Importance of Human Resource Management

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Management of human resource is of utmost significance and can be discussed under four headings.

- i. Social Significance The effective management of human resource is likely to serve the following social goals as indicated by Dole Yoder.
- ii. Helps to maintain even-balance between jobs and job holders and to raise living standards of individuals in the Society.
- iii. To help people to avail of the best, most productive and most gainful jobs.
- iv. To assist every member of the organisation in maximising the contribution and reward by developing talents in the job.
- v. To help to ensure the best protection and conservation of human resource to prevent its wasteful or careless use.
- vi. To help people to make their decisions with minimum of direction and control.

2. Professional Significance: Management of human resource serves the following professional goals:

- i. Maintaining respect and dignity of the individual members.
- ii. Providing maximum opportunities for personality development of each participant in the organisation.
- iii. Ensuring effective allocation of services to different jobs.
- iv. Ensuring effective utilisation of people's talents and interests in work-settings.

3. Significance for an Enterprise It can help the organisation in accomplishing its goals by:

- (i) creating right attitude among the employees through effective motivation;
- (ii) utilising effectively the available human resources;
- (iii) securing willing cooperation of the employees for achieving goals of the enterprise.
- (iv) attracting and retaining the right man on the right job.



4. National Significance The development of a country to a large extent depends on the quality, skill, knowledge and abilities of its people. Countries are underdeveloped because their people are backward, illiterate, unskilled or semi-skilled. Effective management and development of human resources help to speed up the process of economic development which in-turn raises the standard of living of its people.

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## 1.6 Scope of Human Resource Management

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- (I) The field of personnel management is very wide as it is called by several terms such as, 'Labour Management', 'Manpower Management', 'Human Relations', 'Human Resource Management' and so on. The Indian Institute of Personnel Management has laid down the scope of personnel management as follows:
  - (ii) The Welfare Aspect: This aspect is concerned with working conditions and amenities such as canteens, creches, rest rooms, lunch rooms, housing, transport, education, medical help, health and safety, washing facilities, recreation and cultural facilities, etc.
  - (iii) The Labour or Personnel Aspect: It is concerned with recruitment, selection, placement, induction, transfer, promotion, demotion, termination, training and development, Lay-off and retrenchment, wage and salary administration, incentives, productivity, etc.
  - (iv) The Industrial Relations Aspect: It is concerned with trade unions, negotiation, settlement of industrial disputes, joint consultation and collective bargaining.

All these aspects are concerned with human element in industry as distinct from the mechanical.

**Dale Yoder** has classified the scope of personnel management in terms of the following functions:

- (i) Setting general and specific management policy for organisational relationship and establishing and maintaining a suitable organisation for leadership and co-operation.
- (ii) Collective bargaining, contract negotiation, contract administration and grievance handling.
- (iii) Staffing the organisation, finding, getting and holding prescribed types and number of workers.
- (iv) Aiding in the self-development of employees at all levels providing opportunities for personnel development and growth.
- (v) Developing and maintaining motivation for workers by providing incentives.
- (vi) Reviewing and auditing manpower management in the organisation.
- (vii) Industrial relations research carrying out studies designed to explain employees' behaviour and thereby affecting improvements in the manpower management.



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## 1.7 Functions of Human Resource Management

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The functions of HRM can be broadly classified into two categories viz;

1. Managerial functions
2. Operative functions

### 1. Managerial Functions

Managing people is the heart and essence of being a manager. Personnel manager is a manager and as such he must perform the basic functions of management like planning, organising, directing and controlling.

- (i) **Planning:** It is a pre-determined course of action. Planning is the determination of the plans, strategies, programmes, policies and procedures to accomplish the desired organisational objectives. For HRM, planning involves estimation of human resource requirements, recruitment, selection, training etc. It also involves formulation of personnel policies and programmes, forecasting personnel needs, and preparing the human resource budget etc.

- (ii) **Organising:** After plans have been developed, the HRM must establish an organisation to carry them out. This function involves grouping of personnel activities, assignment of tasks to different individuals and teams, delegation of authority and establishment of authority–responsibility relationship and integrating their activities towards the organisational objectives.
- (iii) **Directing:** This function involves motivating, guiding, leading and activating the personnel. Human resource manager must inculcate in the workers a keen appreciation of the enterprise policies. The willing and effective cooperation of employees for the attainment of organisational goals is possible through motivation and command.
- (iv) **Controlling:** It involves checking, measuring, verifying, correcting and assuring the accomplishment of plans. Auditing training programmes, analysing labour turnover records, directing morale surveys are some of the means to assure the human resource management that the activities are being carried out in accordance with the plans.



## 2. Operative Functions

The operative or service functions of human resource management are related to specific activities of procuring, developing, compensating and maintaining an efficient work force.

I. **Procurement:** It is the first operative function of human resource management.

Procurement is concerned with securing and employing the right kind of people in the right number on a right job at a right time to achieve the organisational objectives. It consists of the functions such as job analysis, human resource planning, recruitment, selection, placement, induction and internal mobility.

II. **Development:** It is concerned with the personnel development of employees by improving the knowledge, skills, aptitudes, attitudes and values of employees to make them more competent and effective on their present and future jobs. This function includes:

III. Performance appraisal, Potential appraisal, Performance counselling, Training and management development, Career planning and Development, Organisation development.

IV. **Compensation:** It is the process of providing equitable and fair remuneration to the employees. This function includes: Job evaluation, Wage and Salary administration, Incentives, Bonus etc.

V. **Integration:** It is concerned with the attempt to bring about a reasonable reconciliation of individual and organisational interests. It involves: Negotiations with labour unions, handling employees' grievances, developing sound human relations, establishing good relations with government agencies and educational institutions, workers' participation in management, employees' discipline etc.

VI. **Maintenance:** It is concerned with sustaining and protecting the physical and mental health of employees in the organisation. It includes several types of benefits such as housing, medical services, educational facilities, social security measures like provident fund, pension, gratuity, maternity benefits, health and safety measures, group insurance etc.

VII. **Records, Research and Audit:** Personnel department maintains the records of the employees working in the organisation. Record-keeping is necessary both for exercising control over personnel activities and for doing research. This function involves: developing a good system of record keeping, carrying out research on various subjects and annual personnel audit.



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## 1.8 Role of Human Resource Manager

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A human resource manager plays a variety of roles in accordance with the need of the situation. These are given below:

1. The Conscience Role under this role the human resource manager reminds the management of their moral and ethical obligations towards employees.
2. The Counsellor Role under this role he encourages the employees to meet him frequently for consultation and discussion of their mental, physical and career problems.
3. The Mediator Role He tries to settle disputes between labour and management, between an individual and a team and serves as a peace maker and linking-pin between different departments/divisions of an organisation.
4. The Spokesman Role under this role he works as a spokesman for his organisation.
5. The Problem Solver's Role He is a problem solver in respect of issues involving human resource management and overall organisational planning.



6. The Change-Agent Role He serves as a change-agent in respect of introducing and implementing major institutional changes. He is an innovator in personnel matters.
7. The House Keeper Role under this role he looks after the safety, health, welfare etc. of employees.
8. The Decision-Making Role He plays a dominant role in the decision-making process and takes decisions regarding both major and minor issues of the human resources. He formulates objectives, policies and programmes of human resource management.
9. The Executive Role Once decisions are taken he plays a dominant role in executing these decisions, programmes etc.
10. The Clerical Role He plays this role by time-keeping, calculating wages, salaries, allowances, incentives, compensation and maintaining of records and the like.

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## 1.9 Let's Sum-up

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The management of men is a challenging task because of the dynamic nature of the people. No two persons are similar in mental abilities, liking, disliking, values, faiths, perceptions, sentiments, actions, reactions and behaviour. People are responsive because, they feel, think and act; therefore, they cannot be operated like machine, money and material. Thus human resource management is a most crucial job because managing people is the heart and essence of being a manager. With regard to the functions, human resource managers play two distinct type of functions such as managerial and operative. A human resource manager plays a variety of roles in accordance with the need of the situation.

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## 1.10 Key Terms

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- Human resource
- Human resource functions
- Human resource manager's role

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## 1.11 Self Assessment questions

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1. Define human resource management. Explain the nature and characteristics of human resource management.

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2. Explain how human resource is different from other resources.

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3. Distinguish between managerial functions and operative functions.

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## 1.12 Further Readings

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1. Basava K. D-Human Resource Development- VidhyvahiniPrakashana, Hubli
2. Michael V.P- Human Resource Management & Human Relation, Himalaya Publishing House, Mumbai.
3. ICFAI-Introduction to Human Resource Management, ICFAI Press Hyderabad.
4. Menon P.K.S- Human Resource Management & Organizational Behaviour- Himalaya Publishing House, New Delhi.

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## 1.13 Model Questions

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1. What are the various functions carried out by HRM department in an organization?
2. Examine the different roles of human resource managers in an organization.

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## Unit – 2

### Perception and Learning (Understanding Individuals)

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#### Learning Objectives:

After completion of the unit you should be able to:

- Understand the concept and definition of perception.
- Identify the factors that affect perception.
- Thoroughly understand the perceptual process.
- Explain the concept and definition of learning.
- Examine the various learning approaches / theories.
- Distinguish between positive and negative reinforcement.

#### Structure

- 1.1 Introduction
- 1.2 Definitions
- 1.3 Nature and Importance of Perception
- 1.4 Factors Influencing Perception
- 1.5 Attribution Theory
- 1.6 Learning : An Overview
- 1.7 Components of Learning Process
- 1.8 Learning Approaches and Theories
  - 1.8.1 Classical Conditioning
  - 1.8.2 Operant Conditioning
  - 1.8.3 Observational Learning
  - 1.8.4 Cognitive Learning
  - 1.8.5 Social Learning
- 1.9 Learning Theories and OB
- 1.10 Let's Sum-up
- 1.11 Key Terms
- 1.12 Self Assessment questions

1.13 Further Readings

1.14 Model Questions





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## 1.1 Introduction

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Like most concepts within the social science disciplines, perception (or what other scholars refer to as social perception) has been defined in a variety of ways since its first usage. From the lay man's perspective, perception is explained as an act of being aware of "one's environment through physical sensation, which denotes an individual's ability to understand". However, many social psychologists have tended to develop the concept around one of its most essential characteristics that the world around us is not psychologically uniform to all individuals. This is the fact, in all probability, that accounts for the difference in the opinions and actions of individuals/groups that are exposed to the same social phenomenon.

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## 1.2 Definition

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At this point, it is important for you to take a look at some of these definitions in order to better appreciate the point being made here:

According to Nelson and Quick (1997) "social perception is the process of interpreting information about another person." What this definition has clearly highlighted for your attention is that the opinions you form about another person depends on the amount of information available to you and the extent to which you are able to correctly interpret the information you have acquired. In other words, you may be in possession of the same set of information that other people have on a particular situation, person or group but still arrive at different conclusions due to individual differences in the capacity to interpret the information that you all have.

Rao and Narayan (1998) obviously share the main characteristics of the above definition. However, they emphasise that perception ranks among the "important cognitive factors of human behaviour" or psychological mechanism that enable people to understand their environment. In their own words, "perception is the process whereby people select, organise, and interpret sensory stimulations into meaningful information about their work environment."

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## 1.3 Nature and Importance

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Perception is a process by which individuals organize and interpret as per their sensory immersions in order to give meaning to their environment. It is important to study perceptions in the study of Organization Behaviour, because people's behaviour is based on their perception of what reality is and is not on reality itself. Perception is

influenced by many factors. These factors may be in the perceiver, or the object being perceived or the situations in the context of which perception is made. Personal characters that affect perception are attitude, personality, motives, interest, past experience and expectations. Our perception of people differs from our perception of inanimate objects such as desks, machines, etc. because our inferences are due to actions of people. Because people have beliefs, motives or intentions, our perceptions and judgment significantly is influenced by assumptions we make about that a person's internal state.



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## 1.4 Factors Influencing Perception

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A number of factors operate to shape and sometimes distort perception. These factors can reside in the perceiver, in the object or target being perceived, situation in the context of which the perception is made.

### 2.2.1 The Perceiver

When an individual looks at a target and attempts to interpret what he or she sees, that interpretation is heavily influenced by personal characteristics of the individual perceiver. Among the more relevant personal characteristic affecting perception are attitudes, motives, interests, expectations and past experiences. Unsatisfied needs or motives stimulate individuals and may exert a strong influence on their perceptions.

#### **For Example:**

The supervisor who has just been reprimanded by his boss for the high level of workers coming late among her staff is more likely to notice such behaviour by an employee tomorrow than he was last week. If you are preoccupied with a personal problem, you may find it hard to be attentive in the class. These examples illustrate that, the focus of our attention appears to be influenced by our interest and it differs considerably. What one-person notices in a situation can differ from what others perceive.

### 2.2.2 The Target

Characteristics of the target that is being observed can affect what is perceived. Loud people are more likely to be noticed in a group than quiet ones. Motions, sounds, size and other attributes of a target shape the way we see it.

Because targets are not looked at in isolation from its background, the relationship of a target to its background influences perception, as does our tendency to group close things and similar things together. What we see depends on how we separate a figure from its general background.

Objects that are close to each other will tend to be perceived together rather than separately. As a result of physical or time proximity, we often put together objects or

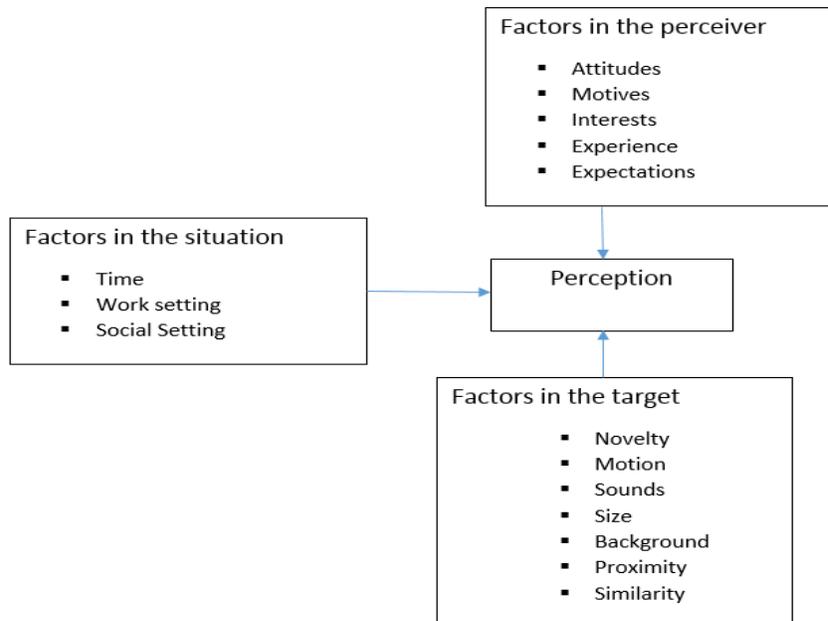
events that are unrelated. Persons, objects, or events that are similar to each other also tend to be grouped together. The greater the similarity greater the probability that we will tend to perceive them as a common group. Women, blacks or members of any other group who have clearly distinguishable characteristics in terms of features or colors will tend to be perceived alike in other unrelated characteristics as well.

### 2.2.3 The Situation

The context in which we see objects or events is important. Elements in the surrounding environment influence our perception.

#### For Example

You are more likely to notice our employees grouping off, if your boss from the head office happens to be in the town. Again the situation affects our perception. The time at which an object or event is seen, can influence attention such as location, light, heat, or any number of situational factors. Following figures summarize the factors influencing perception.



**(Factors influencing perception)**



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## 1.5 Attribution Theory

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Our perception of people differ from our perception of inanimate objects such as desk, machine or building, because we can make inferences about the actions of people that we don't make about inanimate objects. Non-living objects are subjects to the law of nature, but they have no beliefs, motives, intentions. But people do. The result is that, when we observe people, we attempt to develop explanations of why they behave in certain ways. Our perception and judgment of a person's action therefore will be significantly influenced by the assumption we make about that person's internal state. Attribution theory has been proposed to develop an explanation of the Law in which we judge people differently depending on the meaning attributed to a given behaviour.

This determination depends on three factors:

- i. Distinctiveness
- ii. Consensus
- iii. Consistency

Basically, the theory suggests that, when we observe an individual's behaviour, we attempt to determine whether it was internally and externally caused. Externally caused behaviours are seen as resulting from outside causes. That is the person is seen as having been forced into the behaviour by the situation. If one of our employee is late for work, you might attribute his lateness to his partying into the wee hours of the morning and then over sleeping. This would be an internal attribution. But attributing arriving late to a major automobile accident that tied up traffic on the road that this employee regularly uses, then you would be making an external attribution.

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## 1.6 Learning : An Overview

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Learning is an important psychological process that determines human behavior. Simple way, "learning is something we did when we went to school" "it is permanent changing behavior through education and training, practice and experience. Learning can be defined as *"relatively permanent change in behavior that occurs as a result of experience or reinforced practice"*.

There are four important points in the definition of learning:



- Learning involves a change in behavior, though this change is not necessarily an improvement over previous behavior. Learning generally has the connotation of improved behavior, but bad habits, prejudices, stereotypes, and work restrictions are also learned.
- The behavioral change must be relatively permanent. Any temporary change in behavior is not a part of learning.
- The behavioral change must be based on some form of practice or experience.
- The practice or experience must be reinforced in order so as to facilitate learning to occur.

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## 1.7 Components of the learning process

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The components of learning process are: drive, cue stimuli, response, reinforcement and retention.

- **Drive**

Learning frequently occurs in the presence of drive - any strong stimulus that impels action. Drives are basically of two types - primary (or physiological); and secondary (or psychological). These two categories of drives often interact with each other. Individuals operate under many drives at the same time. To predict a behavior, it is necessary to establish which drives are stimulating the most.

- **Cue Stimuli**

Cue stimuli are those factors that exist in the environment as perceived by the individual. The idea is to discover the conditions under which stimulus will increase the probability of eliciting a specific response. There may be two types of stimuli with respect to their results in terms of response concerned: generalization and discrimination.

- **Generalisation**

Generalisation occurs when a response is elicited by a similar but new stimulus. If two stimuli are exactly alike, they will have the same probability of evoking a specified response. The principle of generalization has important implications for human learning. Because of generalization, a person does not have to 'completely relearn each of the new tasks. It allows the members to adapt to overall changing

conditions and specific new assignments. The individual can borrow from past learning experiences to adjust more smoothly to new learning situations.



- **Discrimination**

Discrimination is a procedure in which an organization learns to emit a response to a stimulus but avoids making the same response to a similar but somewhat different stimulus. Discrimination has wide applications in organizational behavior. For example, a supervisor can discriminate between two equally high producing workers, one with low quality and other with high quality.

- **Responses**

The stimulus results in responses. Responses may be in the physical form or may be in terms of attitudes, familiarity, perception or other complex phenomena. In the above example, the supervisor discriminates between the worker producing low quality products and the worker producing high quality products, and positively responds only to the quality conscious worker.

- **Reinforcement**

Reinforcement is a fundamental condition of learning. Without reinforcement, no measurable modification of behavior takes place. Reinforcement may be defined as the environmental event's affecting the probability of occurrence of responses with which they are associated.

- **Retention**

The stability of learned behavior over time is defined as retention and its contrary is known as forgetting. Some of the learning is retained over a period of time while others may be forgotten.

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## 1.8 Learning Approaches and Theories

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### 1.8.1 Classical Conditioning

The work of the famous Russian physiologist Ivan Pavlov demonstrated the classical conditioning process. When Pavlov presented a piece of meat to the dog in the experiment, Pavlov noticed a great deal of salivation. He termed the food an unconditioned stimulus and the salivation an unconditioned response. When the dog saw the meat, it salivated. On the other hand, when Pavlov merely rang a bell, the dog did not salivate. Pavlov subsequently introduced the sound of a bell each time the meat was given to the dog. The dog eventually learned to salivate in response to the ringing of the bell—even when there was no meat. Pavlov had conditioned the dog to respond to

a learned stimulus. Thorndike called this the "law of exercise" which states that behavior can be learned by repetitive association between a stimulus and a response.

Classical conditioning has a limited value in the study of organizational behavior. As pointed out by Skinner, classical conditioning represents an insignificant part of total human learning. Classical conditioning is passive. Something happens and we react in a specific or particular fashion. It is elicited in response to a specific, identifiable event. As such it explains simple and reflexive behaviors. But behavior of people in organizations is emitted rather than elicited, and it is voluntary rather than reflexive. The learning of these complex behaviors can be explained or better understood by looking at operant conditioning.



### ***1.8.2 Operant Conditioning***

An operant is defined as a behavior that produces effects. Operant conditioning, basically a product of Skinnerian psychology, suggests that individuals emit responses that are either not rewarded or are punished. Operant conditioning is a voluntary behavior and it is determined, maintained and controlled by its consequences. Operant conditioning is a powerful tool for managing people in organizations. Most behaviors in organizations are learned, controlled and altered by the consequences; i.e. operant behaviors. Management can use the operant conditioning process successfully to control and influence the behavior of employees by manipulating its reward system. Reinforcement is anything that both increases the strength of response and tends to induce repetitions of the behavior. Four types of reinforcement strategies can be employed by managers to influence the behavior of the employees, viz., positive reinforcement, negative reinforcement, extinction and punishment.

#### **Positive Reinforcement**

Positive reinforcement strengthens and increases behavior by the presentation of a desirable consequence (reward). In other words, a positive reinforce is a reward that follows behavior and is capable of increasing the frequency of that behavior. There are two types of positive: reinforces: Primary and Secondary.

Primary reinforcers such as food, water and sex are of biological importance and have effects, which are independent of past experiences. For instance, a primary reinforce like food satisfies hunger need and reinforced food-producing behavior.

Secondary reinforces like job advancement, recognition, praise and esteem result from previous association with a primary reinforce. Primary reinforces must be learned. In order to apply reinforcement procedures successfully, management must select reinforces that are sufficiently powerful and durable.

#### **Negative Reinforcement**

The threat of punishment is known as negative reinforcement. Negative reinforces also serve to strengthen desired behavior responses leading to their removal or termination.



### **Extinction**

Extinction is an effective method of controlling undesirable behavior. It refers to non-reinforcement. It is based on the principle that if a response is not reinforced, it will eventually disappear. Extinction is a behavioral strategy that does not promote desirable behaviors but can help to reduce undesirable behaviors.

### **Punishment**

Punishment is a control device employed in organizations to discourage and reduce annoying behaviors of employees.

### **1.8.3 Observational learning**

Observational learning results from watching the behavior of another person and appraising the consequences of that behavior. It does not require an overt response. When Mr. X observes that Y is rewarded for superior performance, X learns the positive relationship between performance and rewards without actually obtaining the reward himself. Observational learning plays a crucial role in altering behaviors in organizations.

### **1.8.4 Cognitive Learning**

Here the primary emphasis is on knowing how events and objects are related to each other. Most of the learning that takes place in the classroom is cognitive learning. Cognitive learning is important because it increases the change that the learner will do the right thing first, without going through a lengthy operant conditioning process.

### **1.8.5 Social Learning**

Social learning integrates the cognitive and operant approaches of learning. It recognizes that learning doesn't take place only because of environmental stimuli (classical and operant views) and of individual stimulus (Cognitive approach), but it is a blend of both views. It also emphasizes that people acquire new behaviours by observing or imitating others in a social setting. Thus it is an interactive nature of cognitive, behavioural and environmental determinants. Learning can be gained discipline and self control and an inner desire to acquire knowledge and skills irrespective of rewards or consequences.

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## **1.9 Learning Theory and OB**

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The relevance of the learning theories for explaining and predicting of organizational behavior is marginal. This does not mean that learning theories are totally irrelevant. Learning concepts provide a basis for changing behaviors that are unacceptable and maintaining those behaviors that are acceptable. When individuals engage in various types of dysfunctional behavior such as late for work, disobeying orders, poor performance, and the manager will attempt to educate more functional behaviors.



Learning theory can also provide certain guidelines for conditioning organizational behavior. Managers know that individuals capable of giving superior performance must be given more reinforces than those with average or low performance. Managers can successfully use the operant conditioning process to control and influence the behavior of employees; by manipulating its reward system.

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### 1.10 Let's Sum-up

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People's perceptions and attributions influence how they behave in their organization. Perception describes the way people filter, organize and interpret sensory information. Attribution explains how people act, determining how people react to the actions of others as well. Accurate perception allows employees to interpret what they see and hear in the workplace effectively to make decisions, complete tasks and act in ethical manner. Faulty perceptions lead to problems in the organization, such as stereotyping, that lead people to erroneously make assumptions.

Learning is any relatively permanent change in behaviour that occurs as a result of experience. There are two important elements in learning: change must be relatively permanent. It means after 'learning' the behaviour of a person must be different from the previous behaviour. If a person learns car driving, it will last for a long time indicating the changed behaviour. The second element is that the change of behaviour should take place as a result of some kind of experience. Learning must be because of some interaction with the environment and some feedback from such environment that affects behaviour.

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### 1.11 Key Terms

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- Perception
- Attribution
- Learning
- Behaviour

- Classical Conditioning
- Operant Conditioning
- Observational Learning
- Cognitive Learning
- Social Learning



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### 1.12 Self Assessment questions

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1. Define perception. Why perception differ from individual to individual?

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2. Identify the several factors that affect perception.

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3. What are the impact of learning on employee behavior?



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**a. Further Readings**

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1. S. S. Khanka, Organization Behavior, S. Chand and Co. Ltd, New Delhi.
2. Uma Sekaran, Organization Behaviours, The Mc Graw –Hill Company, New Delhi.
3. Keith Davis, Human Behaviour at Work - M.cGraw Hill Book Co., New Delhi.
4. LM Prasad, Organization Behaviour, S. Chand and Co. Ltd, New Delhi.

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**b. Model Questions**

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1. Why is it important for managers to have a thorough knowledge of perception and attribution?
2. Explain the theories of learning in brief.
3. How can you use reinforcement strategy in an organization. Explain with examples.



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## Unit – 3

### Personality and Attitude (Understanding Individuals)

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#### Learning Objectives:

After completion of the unit you should be able to:

- Understand the concept and definition of personality.
- Explain the determinants of personality.
- Understand the theories of personality.
- Explain the concept of attitude formation .
- Know how change in attitude can occur.

#### Structure

- 1.1 Introduction
- 1.2 Definitions
- 1.3 Determinants of personality
- 1.4 Theories of personality
- 1.5 Concept of attitude
- 1.6 Attitude formation
- 1.7 Change in attitude
- 1.8 Let's Sum-up
- 1.9 Key Terms
- 1.10 Self Assessment questions
- 1.11 Further Readings
- 1.12 Model Questions



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## 1.1 Introduction

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Every individual has his own characteristic way of behaving, responding to emotions, perceiving things and looking at the world. No two individuals are similar. You might like going out for parties but your friend might prefer staying back at home reading his/her favourite book. It is really not necessary that if you like partying around, your friend will also like the same. Here comes the role of personality. What an individual sees in his childhood days and most importantly his/her growing days from his personality. How an individual is raised plays an important role in shaping his/her personality.

Personality is nothing but the aggregate conglomeration of memories and incidents in an individual's entire life span. Environmental factors, family background, financial conditions, genetic factors, situations and circumstances also contribute to an individual's personality. In a layman's language, how we behave in our day to day lives reflects our personality. How an individual behaves depends on his family background, upbringing, social status and so on. An individual with a troubled childhood would not open up easily. He/she would always hesitate to open his heart in front of others. Some kind of fear would always be there within him. An individual who never had any major problems in life would be an extrovert and would never have issues interacting and socializing with others. You really can't blame an individual for not being an extrovert. It is essential to check his/her background or past life. It is quite possible that as a child, he was not allowed to go out of his home, play and freak out with friends. These individuals start believing that their home is their only world and they are not safe outside. Such a mindset soon becomes their personality.

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## 1.3 Definitions

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G.W.Allport defines personality as "the dynamic organization, with in the individual of those psychological systems that determines his unique adjustment to his environment". According to this definition, the various psychological traits which determine the personal adjustment of the individual are organized into a dynamic unit. So there is always flexible adjustment to the environment.



Eysenck defines that "personality is the more or less stable and enduring organization of a persons character temperament, interact and physique which determines his unique adjustment to the environment.

Morton prince defines personality as "Sum total of all, the biological innate dispositions, impulses, tendencies, appetites and instincts of the individual and the acquired disposition and tendencies.

Munn in his book states that personality may be defined as " the most characteristic integration of an individual structure, modes of behaviour, interest attitudes and abilities and aptitudes, especially from the point of adjustment in social situations". This definition is a comprehensive one which includes all the points about personality. Hence this definition is regarded as to most suitable one.

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### 1.3 Determinants of Personality

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Personality, in the field of organizational behavior, is the aggregate of a person's feelings, thinking, behaviors and responses to different situations and people. Every person has a different personality and there are a lot of factors which contribute to that personality. We call them the 'determinants of personality' or the 'factors of personality'.

These determinants and factors of personality can belong to very different categories. Earlier, the major debate was primarily between the heredity and environmental factors. Many psychologists believe that the environment, in which an individual lives in, forms his personality. On the other hand, some psychologists used to debate that personality is pre-determined at the time of birth – which means that it is hereditary. Actually, it appears that both the environmental and heredity factors contribute as the important determinants and factors of personality.

Apart from that, there are several other factors as well that determine an individual's personality.

What determinants go into the development of personality? Of all the complexities and unanswered questions in the study of human behaviour, this question may be the most difficult. For the convenience of study, the determinants of personality can be grouped into five broad categories:



## 1. Heredity

The role of heredity in the development of personality is an old argument in personality theory. Heredity refers to those factors that were determined at conception. Physical stature, facial attractiveness, energy level, muscle composition and reflexes and biological rhythms are characteristics that are generally considered to be imported either completely or substantially by one's parents. The heredity approach argues that the ultimate explanation of an individual's personality is the molecular structure of the genes, located in the chromosomes which contain thousands of genes, which seem to be transmitters of traits. The role of heredity on personality development is still an unsettled area of understanding. The problem is that geneticists face a major obstacle in gathering information scientifically on the human being. Nevertheless, the role of heredity on personality development cannot be totally minimized. Physical attributes, for instance, may be largely attributed to heredity.

The following classification of characteristics is said to be inherited by all human beings.

- Physical Structure (how tall or short one is, whether one has a long or short nose, large or small feet — briefly, how one is put together)
- Reflexes (direct response to stimuli, such as withdrawing from a pin prick, blinking when something approaches the eye)
- Innate drives (impulses to act based on physiological tensions; but these must be linked through learning with activities which will reduce the tensions)
- Intelligence (the capacity to learn, to modify responses)
- Temperament (patterned and recurrent responses associated with basic emotional makeup for e.g.- phlegmatic, excitable and or lethargic)

## ii. Environment

If all personality characteristics were by heredity, they would be fixed at birth and no amount of experience could alter them. Personality development owes as much to environment as it does to heredity. Environment is a broad term and includes such factors as culture. Culture establishes norms, attitudes and values that are passed along

from one generation to the next and create consistencies overtime. Anthropologists, to whom culture as a subject belongs, have clearly demonstrated the important role culture plays in the development of the human personality.



While growing, the child learns to behave in ways expected by the culture of the family into which the baby was born. Most cultures expect different behaviour from males than from females.

Every culture has its own subcultures, each with its own views about such qualities as moral values, standards of cleanliness, style of dress and definitions of success. The cultural sub-group exerts its influence on personality. All boys are expected to show certain personality characteristics (as compared with girls), but a poor boy raised in an urban slum is expected to behave differently in some respects than a well-to-do raised in a middle class suburb.

Although culture has significant influence on personality development, linear relationship cannot be established between personality and the given culture, for two reasons:

- a. The culture impacts upon an individual are not uniform, because they are transmitted by certain people—parents and others who are not all alike in their values and practices.
- b. The individual has some experiences that are unique. Each individual reacts in his own way to social pressures, differences in behaviour being caused by biological factors.

### **iii. Family**

The family has considerable influence on personality development, particularly in the early stages. The parents play an important part in the identification process which is important to an individual's early development. The process can be examined from three different perspectives:

- First, identification can be viewed as the similarity of behaviour (including feelings and attitudes between child and model)
- Second, identification can be looked upon as the child's motives or desires to be like the model.
- Third, identification can be viewed as the process through which the child actually takes on the attributes of the model.

The overall home environment created by the parents, in addition to their direct influence, is critical to personality development. Siblings (brothers and sisters) also

contribute to personality. It has been argued that, sibling position is an important psychological variable because it represents a microcosm of the significant social experience of adolescence and adulthood. It is argued that those first born are more prone to be schizophrenic, more susceptible to social pressures and more dependent than those later-born. The first born are also more likely to experience the world as more orderly, predictable and rational than later-born children.



#### **iv. Socialization process**

There is greater realization that other relevant persons, groups and organizations exercise their due role in personality development. This is commonly called the socialization process. It is especially relevant to organizational behaviour, because the process is not confined to early childhood, rather taking place throughout one's life. In particular, evidence is accumulating that, socialization may be one of the best explanations of why employees behave the way they do in today's organizations.

#### **v. Situational considerations**

Above determinants discussed are no doubt important to personality, but it must be recognized that, it is the immediate situation which may predominate finally. While it seems logical to suppose that, situations will influence an individual's personality, a neat classification scheme that would tell us the impact of various types of situations has so far eluded us. However, we do know that certain situations are more relevant than others in influencing personality. What is of taxonomically, wrote Lee Sechrest, is that situations seem to differ substantially in the constraints they impose on behavior with some situations, e.g. church, constraining many behaviours and others, e.g., a picnic in a public park — constraining relative few. From the above discussion, it is clear that personality is a complex concept that reflects many influences both within and outside the individual. Personality progresses through identifiable stages and never really stops developing. One can, however, examine personality at any point in time within its developmental sequence in order to compare and contrast individual personalities.

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## **1.4 Theories of Personality**

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### **Sigmund Freud**

Founded by Sigmund Freud, this theory emphasizes the influence of the unconscious, the importance of sexual and aggressive instincts, and early childhood experience on a

person. This theory has been very influential not only in psychology but also in literary circles, art, psychiatry and films. Many of Freud's ideas have become part and parcel of every day usage. Freud started his career as a neurologist. His theory developed in the course of his observations of his patients, as well as, self analysis. He used free association to help his patients recover forgotten memories.



Freud discovered that mind is like an iceberg and we have limited conscious awareness. Freud proposed that psychological forces operate at three levels of awareness:

**Conscious level:** The thoughts, feelings, and sensations that one is aware of at the present moment.

**Preconscious level:** It contains information of which one is not currently aware, however, they can easily enter conscious mind.

**Unconscious level:** It consists of thought, feelings, wishes, drives etc. of which we are not aware. It, however, influences our conscious level of activity.

Freud thought that unconscious material often seeks to push through to the conscious level in a disguised manner. It may be in a distorted manner and or it may take a symbolic form. Interpretation of dreams and free association were used for analysis of the three levels of awareness.

### **Personality Structure**

Freud believed that human personality emerges due to a conflict between our aggressive and pleasure seeking biological impulses and the internalized social restraints against them. Thus, personality arises in the course of our effort to resolve the conflicts. To this end he proposed three structures which interact with each other: Id, Ego and Super Ego. Let us learn about these structures:

**Id:** It is the unconscious, irrational part of personality. It is the primitive part immune to morality and demands of the external world. It operates on the pleasure principle. It seeks immediate satisfaction.

**Ego:** It is involved with the workings of the real world. It operates on the reality principle. It is the conscious, and rational part of personality that regulates thoughts and behaviors. It teaches the person to balance demands of external world and needs of the person.

**Super Ego:** It is the internal representation of parental and societal values. It works as the voice of conscience, that compels the ego to consider not only the real but also the

ideal. It judges one's behaviors as right or wrong, good or bad. Failing up to moral ideals bring about the shame, guilt, inferiority and anxiety in the person.



### **Carl Jung: Collective Unconscious**

Jung was opposed to the central role of sex and aggression in human life. Instead he proposed that people are motivated by more general psychological energy. He proposed that the deepest part of one's psyche comprises the collective unconscious. It is a set of influences inherited from our family and the human race. The collective unconscious contains archetypes which are the mental images of a particular person, object or experience. Hero, powerful father, innocent child, nurturant mother are example of archetypes.

### **Karen Horney: Basic Anxiety**

Horney emphasized on the importance of social relationships in personality development. Basic anxiety refers to the feeling of a child of being isolated and helpless in a potentially hostile world.

### **Alfred Adler: Feelings of Inferiority and Superiority**

Adler proposed that the central human motive is that of striving for superiority. It arises from feelings of inferiority that are experienced during infancy and childhood. During this period the child is helpless and depends on others for help and support. The psychoanalytic ideas have been criticized on the ground that there is inadequate evidence to support the theory.

### **The Trait Perspective**

Traits are characteristic behaviours and conscious motives. They represent a relatively stable and enduring predisposition to behave in a given way. Traits are frequently used in describing people. The focus of trait approach is very common and involves enumerating list of personal characteristics. Trait theories of personality identify, describe and measure individual differences. The apparent traits are called surface traits (e.g. happy, cordial). Contrary to this there are certain source traits. Raymond Cattell developed a trait theory which has 16 source traits. He called them personality factors. Some of them are: Reserved-Outgoing, Serious-Happy-go-lucky, Practical-Imaginative and Relaxed-Tense. Eysenck proposed a theory which classifies people in four types: introverted-neurotic, introverted- stable, extraverted- neurotic and extraverted- stable. In subsequent work Eysenck proposed psychoticism as another dimension of personality.

### **The Social Cognitive Perspective**

This perspective was developed by Albert Bandura. It views behaviour as influenced by the interaction between persons and the social context. It is proposed that our thoughts and actions originate in the social world but it is essential to note that human beings have capacity for self-regulation and engage in active cognitive processes. Bandura developed the concept of self efficacy which incorporates a person's cognitive skills, abilities and attitudes as represented in one's self-system. Selfefficacy indicates the degree to which one is convinced of the abilities and effectiveness in meeting the demands of a particular situation. The theory is based on laboratory research. However, the theory ignores the unconscious factors which may influence behaviour. The theory also emphasizes the rational side of life while ignoring the emotional side.



The cognitive-social theory brings into focus the role of thought and memory in personality. We often find that the expectations and skills learned by people are very important in determining behaviours.

### **The Humanistic Perspective**

These theories propose that within each individual is an active creative force, often called “self”. This force seeks expression. It develops and grows. This perspective, also known as the third force, emphasizes on human potential and characteristics like self-awareness and free will. It views human beings as innately good. The conscious and subjective perception of self is considered very important. Carl Rogers and Abraham Maslow are the main proponents of the humanistic perspective.

Abraham Maslow proposed the idea of self actualized people. He proposed that human motives are arranged in a hierarchy of needs. Human needs are organized from physiological needs to self transcendence. Maslow notes that the self actualized people have realistic perception are spontaneous, easily accept self and others, are creative, and enjoy and appreciate positive aspects of life, like privacy and independence.

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## **1.5 Concept of Attitude**

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Attitude has always been a subject of interest to many researchers as well as psychologist. It is considered as exciting and mysterious to some researcher. It can function as a shield to someone or it can even function as a weapon to someone. Having a certain attitude in life is crucial to people so as to help them live in harmony and towards better understanding of things around them. Attitudes play a major part in determining a person's personality. This is because attitude affect the way people perceive and act towards people, objects or events that they encounter. Besides that,

attitudes can also have an effect on one's social interactions. Attitudes are learned predispositions and represent cluster of beliefs, assessed feelings and behavioural intentions towards aspects of our environment like a person, object or event. Attitudes are evaluative statements either favourable or unfavourable concerning objects, people or events and are a persistent tendency to feel and behave in a particular way toward some object.



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## 1.6 Sources of Attitudes

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As already explained, attitudes, like values, are acquired from the environment - parents, teachers, friends, and colleagues. It may be noted that they are only acquired but not inherited. We begin modeling our attitudes after those we admire and respect. We observe the way family members and friends behave and we shape our attitudes and behavior to align with theirs. You tend to imitate the attitudes of famous persons or those you admire and respect. Attitudes may also be developed from a personally rewarding or punishing experience with an object or event.

If employees are rewarded for being regular in an organization, you are likely to believe that you will also be rewarded if you are regular. In contrast to values, attitudes are less stable. That is why advertising messages attempt to change your attitudes toward a certain product or service. If Maruti Company is able to create a favorable opinion toward their car, that attitude may lead to a desirable behavior i.e., the purchase of Maruti car.

Therefore, sound understanding of attitudes is important for managers because they affect job behavior. Manager's knowledge can serve two purposes. Firstly, it helps him in understanding and predicting how a person is likely to behave. Secondly, it helps him in changing unfavorable attitudes into favorable attitudes.

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## 1.7 Types of Attitudes

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A person may have a multitude of attitudes, but for the purpose of our study let us know about the job-related attitudes. These job-related attitudes are positive or negative evaluations held by employees about various aspects of their work environment. Essentially, there are three important attitudes concerned with job: *job satisfaction, job involvement, and organizational commitment*.

- **Job Satisfaction**

One of the tasks of a manager is to provide job satisfaction to the employees. Job satisfaction refers to an individual's general attitude toward his or her job. A person with a high level of job satisfaction holds positive attitudes toward the job, while a person with low job satisfaction holds negative attitudes towards the job. When we talk about employee attitudes, mostly we mean job satisfaction. As a matter of fact, the two are closely related.



- **Job Involvement**

The term “*job involvement*” is relatively a recent concept in the literature. There is no complete agreement over what the term means. Generally, it refers to the degree to which a person identifies with his job, actively participates in it, and considers his performance important to his self-worth. Individuals who express high involvement in their jobs are likely to be more productive, have higher satisfaction, and are less likely to resign than employees with low involvement.

- **Organizational Commitment**

Commitment reflects an individual's orientation toward the organization by tapping his or her loyalty to, identification with, and involvement in the organization. Individuals who are highly committed see their identity as closely attached to that of the organization. Like job involvement, highly committed employees will be better performers and have lower turnover than those with low levels of commitment to the organization.

It may be understood that when people talk about job attitudes and their impact on behaviour, obviously they are referring to the positive or negative appraisals that people make about their job or organization. Job satisfaction is the most popular attitude measured in organizations, but more recently there has been increased attention given to job involvement and organizational commitment. All these attitudes are measured with a view to predict employee behaviours like performance, productivity, absenteeism, turnover and unionization.

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## 1.8 Let's Sum-up

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Personality is the aggregate of a person's feelings, thinking, behaviors and responses to different situations and people. Every person has a different personality and there are a lot of factors which contribute to that personality. We call them the ‘determinants of personality’ or the ‘factors of personality’. These determinants and factors of personality can belong to very different categories like heredity, environment, family, socialization process and situation etc. Many experts in behavioural sciences have significantly contributed towards development of theories on personality. Freud believed that human personality emerges due to a conflict between our aggressive and pleasure seeking

biological impulses and the internalized social restraints against them. Carl Jung proposed that the deepest part of one’s psyche comprises the collective unconscious. It is a set of influences inherited from our family and the human race.



Attitudes are evaluative statements either favourable or unfavourable concerning objects, people or events and are a persistent tendency to feel and behave in a particular way toward some object. A person may have a multitude of attitudes, but for the purpose of our study let us know about the job-related attitudes. These job-related attitudes are positive or negative evaluations held by employees about various aspects of their work environment. Essentially, there are three important attitudes concerned with job: job satisfaction, job involvement, and organizational commitment.

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## 1.9 Key Terms

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- Personality
- Id
- Ego
- Super ego
- Attitude
- Cognitions

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## Self-Assessment Questions

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1. Explain Sigmund Freud’s theory of personality in your own words.

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2. Describe organizational commitment as a major component of attitude.

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### Further Readings

1. S. S. Khanka, Organization Behavior, S. Chand and Co. Ltd, New Delhi.
2. Uma Sekaran, Organization Behaviours, The Mc Graw –Hill Company, New Delhi.
3. Keith Davis, Human Behaviour at Work - M.cGraw Hill Book Co., New Delhi.
4. LM Prasad, Organization Behaviour, S. Chand and Co. Ltd, New Delhi.

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### Model Questions

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1. Define personality. What are the determinants of personality?
2. Why attitude is considered so important for individuals? Substantiate your arguments.



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## Unit – 4

### Group Dynamics and Group Cohesiveness

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#### Learning Objectives:

After completion of the unit you should be able to:

- Define a group.
- Understand various types of groups.
- Explain why people join groups.
- Know the stages of group development.
- Understand the significance of group cohesiveness.

#### Structure

- 1.1 Introduction
- 1.2 Definitions
- 1.3 Types of Groups
- 1.4 Why People Join Groups
- 1.5 Stages of Group Development
- 1.6 Group Cohesiveness
- 1.7 Let's Sum-up
- 1.8 Key Terms
- 1.9 Self-Assessment questions
- 1.10 Further Readings
- 1.11 Model Questions



## **Groups Dynamics**

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### **1.1 Introduction**

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Groups have been a central part of our day to day lives. At any given time, we are members in many different groups such as family, student association, workgroups, different clubs. A group is a collection of two or more individuals, interacting and interdependent, who have come together to achieve a particular common objective. According to D.H.Smith, “A group is the largest set of two or more individuals who are jointly characterized by a network of relevant communication, a shared sense of collective identity and one or more shared disposition with associated normative strength. The above definition stresses the following points. Interaction Size Shared goal interest Collective Identity.

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### **1.2 Definition**

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According to D.H.Smith, “A group is the largest set of two or more individuals who are jointly characterized by a network of relevant communication, a shared sense of collective identity and one or more shared disposition with associated normative strength”.

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### **1.3 Types of Groups**

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Various methods are used to classify the types of groups that exist in our organizations. In organizations, the predominant operating groups are the functional groups, task or

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project groups and interest groups. In addition, groups are also classified as formal and informal groups.

### **Formal groups:**

Formal groups are collections of employees who are made to work together by the organization to get the job done smoothly and efficiently. For example, if five members are put together in a department to attend to customer complaints they would be a formal group. The formal groups are those whose primary purpose is facilitating, through member interactions, the attainment of the goals of the organization. Task groups/project groups, command groups and committees come under formal groups.

**Task or Project Groups:** When a number of employees are formally brought together for the purpose of accomplishing a specific task – for a short-term or long term period – such a collection of individuals is called a task or project group. For example, the plant manager of a chemical processing plant may be interested in identifying potential safety problems in the plant. To provide a coordinated effort, the manager creates a four-person task force consisting of the production superintendent, maintenance superintendent, director of engineering and the safety engineer. The group members will deliberate these issues bring out suitable remediable measure for those safety problems within a deadline period. If any problems are found, the plant manager may create other task forces to work toward the elimination of the potential problems. These activities create a situation that encourages the members of the task force to communicate, interact and to coordinate activities, if the purpose of the group is to be accomplished.

### **Informal groups:**

Informal groups are groups that emerge or randomly get formed due to the formal group members' interaction with each other, and thereby develop common interest. For example, members who are showing interest in cricket will join together and share and enjoy talking about the cricket games. Informal groups

provide a very important service by satisfying their members' social needs. Because of interactions that result from the close proximity of task interactions, group members play cricket together, spending their tea breaks together etc. Friendship groups, Interest groups and Reference groups come under informal groups.

### **Interest and Friendship Groups:**



The group members form relationships based on some common characteristics such as age, political belief, or interests. Generally, it can be considered as informal group. Employees who joined together to have their fringe benefits continued to have its implementation, to support a peer who has been fired, or to seek more festival holidays etc. they tend to unite together to further their common interest. Groups often develop because the individual members have one or more common characteristics. This is called friendship groups. For example, recreation clubs, social groups etc. Management usually doesn't have any control over these informal groups.



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## 1.4 Why People Join Groups

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The most popular reasons for joining a group are related to our needs for security, identity, affiliation, power and engaging in common tasks. Protection of common and individual Interest: By joining a group, members can reduce the insecurity of being alone. The membership will make them feel stronger, gaining resistant to threats, having fewer self-doubts etc. New employees are particularly vulnerable to a sense of isolation and turn to the group for guidance and support. Employees develop a sense of security at personal as well as professional front by joining groups. Status: Inclusion in a group that is viewed as important by others provides recognition and status for its members. Being a member of Rotary Club, the members feel pride and gain status and recognition. Self-Esteem: Groups can provide people with feelings of self-worth. That is, in addition to conveying status to those outside the group, membership can also give increased feelings of worth to the group members themselves. The self-esteem is bolstered when members are accepted by a highly valued group. Being assigned to a task force whose purpose is to review and make recommendations for the location of the company's new corporate headquarters can fulfill one's intrinsic needs for competence and growth. Affiliation: Groups can fulfill social needs. People enjoy the regular interaction that comes with group membership. For many people, these on-the-job interactions at work are the primary source for fulfilling their needs for affiliation. Power: For individuals who desire to influence others, groups can offer power without a

formal position of authority in the organization. As a group leader he or she may be able to make requests of group members and obtain compliance

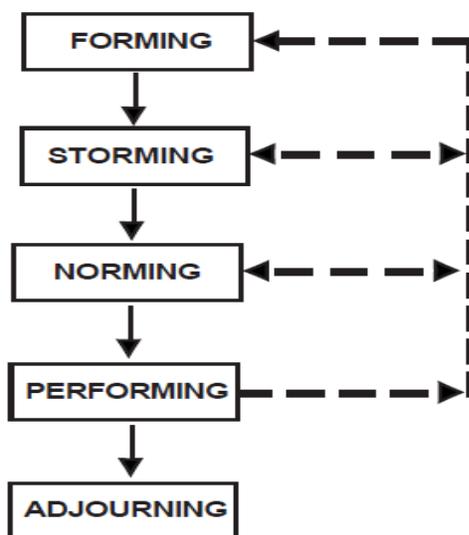
without any of the responsibilities that traditionally go either formal managerial position. Goal Achievement: There are times when it takes more than one person to accomplish a particular task- there is a need to pool talents, knowledge in order to complete a job. In such instances, management will rely on the use of a formal group.



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## 1.5 Stages of Group Development

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### Forming

At this stage, group members try to comprehend where they stand in the group and how they are being perceived by others in the group. The members are very cautious in their interactions with each other and the relationships among the group members are very superficial. Members' seldom express their feelings in the group and the individual members who are trying to understand who they are in the group have concerns about

how they will fit in the group as permanent group members. This is characterized by much uncertainty about group's purpose, structure and leadership. Members are 'testing the waters' to determine what types of behavior are acceptable. This stage is complete when members have begun to think of themselves as part of a group.



### **Storming**

At this stage, disagreement tends to get expressed among the group members, and feelings of anxiety and resentment are also expressed. Some power struggle may ensue at this stage to determine who should assume the informal leadership role in the group. This storming stage is also known as the sub-grouping and confrontation. This group is characterized by intra-group conflict. Members

accept the existence of the group, but there is resistance to the control the group imposes on individuality. There is sometimes conflict over who will control the group. When this stage is complete, there will be a relatively clear hierarchy of leadership within the group.

### **Norming**

This stage is characterized by close relationships and cohesiveness. The group sets norms, tries to attain some degree of cohesiveness, understands the goals of the group, starts making good decision, expresses feelings openly and makes attempts to resolve problems and attain group effectiveness. At this stage, members' roles get defined, and task and maintenance roles are assumed by group members. Group members' also begin to express satisfaction and confidence about being members of the group.

### **Performing**

This stage is characterized by collaboration and integration. The group members evaluate their performance so that the members develop and grow. The group relationships and structures are set and accepted. Group energy has moved from getting to know and understand each other, to performing the task at hand. Feelings are expressed at this stage without fear, leadership roles shared among the members, and the group members' activities are highly co-coordinated. The task and maintenance roles are played very effectively. The task performance levels are high and member satisfaction, pride and commitment to the group also high. Both performance and members' satisfaction are sustained indefinitely.

### **Adjourning**

This stage is characterized by concern with wrapping up activities rather than task performance. The group prepares for its disbandment. High task performance is no longer the group's top priority. Instead, attention is directed towards finalizing activities. As the group approaches the terminal phase, members break off their bonds of affection and stop interaction with each other. Responses of group members vary in this state. Some feel pride in what the group has accomplished. Others may be negative and critical of the way the organization has treated the group and others may be sad over the loss of friendship gained during the life of the work groups. These five stages of group development are only a suggestive and not prescriptive. Sometimes, groups do not always proceed clearly from one stage to the next. Sometimes, several stages go on simultaneously as when groups are storming and performing at the same time. Under some conditions, high levels of conflict are conducive to high group performance.



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## 1.6 Group Cohesiveness

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Cohesion refers to the extent of unity in the group and is reflected in the members' conformity to the norms of the group, feelings of attraction for each other, and wanting to be co-members of the group. Attraction, cohesion and conforming to norms are all intertwined. The more the members feel attracted to the group, the greater will be the group cohesion. The greater the cohesion, the greater the influence of group members to persuade one another to conform to the group norms. The greater the conformity, the greater the identification of the members with the group, and the greater the group cohesion. Cohesive groups work together to achieve the group goals. They can be considered as valuable assets to the organization if the group's goals coincide with the organization's goals. Factors increasing Cohesiveness: The following factors can facilitate to increase the cohesiveness of the work group.

### **Common consent on Group Goals**

If the group agrees on the purpose and direction of its activities, this will serve to bind the group together and structure interaction patterns towards successful goal accomplishment.

### **Frequent Interactions**

When group members have the opportunity to interact frequently with each other, the probability for closeness to develop will increase. Managers can provide opportunities for increased group interaction by calling frequent formal and informal meetings,

providing a common meetings place or physically designing the facilities so that group members are within sight of one another.

### **Personal Attractiveness**

Cohesiveness is enhanced when members are attractive to one another if mutual trust and support already exists. Personal attraction also helps group members to overcome obstacles to goal accomplishment and personal growth and development.



### **Inter-group Competition**

Competition with other groups, both written and external to the organization is a mechanism that acts to bring groups closer together for attaining a common purpose.

### **Favorable Evaluation**

If a group has performed in an outstanding manner, some recognition for its performance by management serves to elevate the prestige of the group in the eyes of the group members and other members of the group. Favorable evaluation helps make group members feel proud about being members of the group.

### **Group Size**

As the size of the group increases, the frequency of interaction between members decreases, thus decreasing the probability of maintaining cohesiveness. Past studies have shown the groups of four to six members provide the best opportunity for interaction.

### **Pleasant experiences with the group**

When group members are attracted to each other or there is a full trust and cooperation, interaction may become a pleasant experience resulting in high level of cohesiveness in the group.

### **Lack of Domination**

When one or few members dominate the group, cohesiveness cannot adequately develop. Such behavior can create smaller “cliques” within the group or identify individual members as isolates or deviates.

### **Gender of Members**

It is reported that women tend to have greater cohesion than men. A possible reason is that women are more likely to be feeling types than thinking types.

### **Previous Success**

If a group has a history of success, it builds an esprit de corps that attracts and unites members. Successful organizations find it easier to attract and hire new employees than unsuccessful ones.



### **Humor**

Humor has been linked to increased cohesion in several studies. It is reported that the greater the cohesion, the greater the influence of the group over the behavior of members and subsequently group performance.

As groups are composed of individuals who are attracted to the goals of the group and to each other, one would expect to find a strong relationship between cohesiveness and group performance. The major difference between highly cohesive and low cohesive groups would be how closely members conformed to the group norms. Further, the group performance would be influenced not only by cohesion, but by the level of group norms.

### **Group Decision Making**

Decisions made by the members of the group in a collective way is known as group decision making. Groups offer excellent techniques for performing many of the steps in the decision making process. If the group is composed of individuals with diverse backgrounds, the alternatives generated should be more extensive and the analysis will be more critical.

#### **Advantages of Group Decision-making:**

The following aspects identified the main advantages that groups offer over individuals in the making of decisions.

- **More information and knowledge:** By aggregating the resources of several individuals, the group brings more input into the decision process.
- **Increased diversity of views:** Group brings heterogeneity to the decision-making process and this opens up the opportunity for more approaches and alternatives to be considered.
- **Increased acceptance of a solution:** The group acceptance facilitates higher satisfaction among those employees required to implement it.
- **Increased legitimacy:** The group decision making process is consistent with demographic ideals and therefore may be perceived as being more legitimate than decisions made by an individual.

#### **Limitations of group decision making:**

- Time-consuming: It takes time to assemble a group.
- Pressures to conform: The desire by group members to be accepted and considered as an asset to the group can result in squashing any overt disagreement, thus encouraging conformity among viewpoints.
- Domination by the few: Few people will try to dominate the group discussion. If such people are happened to be mediocre, the group overall effectiveness will suffer.
- Ambiguous responsibility: In group decision, the responsibility of any single member is reduced.



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## 1.7 Let's Sum-up

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A group is a collection of two or more individuals, interacting and interdependent, who have come together to achieve a particular common objective. You could know about various types of groups and relate the same to your work situations to which you belong.

Members join with different groups depending on their needs and choices. All the group members generally come across the various stages of group development like forming, storming, norming, performing and adjoining. Cohesive groups work together to achieve the group goals. They can be considered as valuable assets to the organization if the group's goals coincide with the organization's goals.

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## 1.8 Key Terms

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- Group
- Group dynamics
- Group development
- Group cohesiveness

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## 1.9 Self-Assessment Questions

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1. What do you mean by a group? How groups can contribute towards performance in organizations?

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2. Explain the various types of groups in an organization.

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### 1.10 Further Readings

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3. Uma Sekaran, Organization Behaviours, The Mc Graw –Hill Company, New Delhi.
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5. LM Prasad, Organization Behaviour, S. Chand and Co. Ltd, New Delhi.

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## 1.11 Model Questions

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1. What do you mean by group dynamics? Why is it considered to be so important for organizational performance?
2. Identify the major factors which contribute towards group cohesiveness in organizations.

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## Unit – 5 Organisation Change and Development

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### Learning Objectives:

After completion of the unit you should be able to:

- Understand the concept of organisational change.
- Explain the significance and types of changes and forces of change.
- Factors determining organisational change.

### Structure

- 1.1 Introduction
- 1.2 Forces for change
  - 1.2.1 Internal forces
  - 1.2.2 External forces
- 1.3 Change models
- 1.4 Management of change
- 1.5 Concept and definitions of OD
- 1.6 OD assumptions
- 1.7 OD interventions

- 1.8 Let's Sum-up
- 1.9 Key Terms
- 1.10 Self Assessment questions
- 1.11 Further Readings
- 1.12 Model Questions



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## 1.1 Introduction

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Change is inevitable. Nothing is permanent except the change. It is the duty of the management to manage change properly. Organizations must keep a close watch on the environment and incorporate suitable changes if the situation so demands. Change is a continuous phenomenon. Organizations must be proactive in affecting change. Even in most stable organizations change is necessary just to keep the level of stability. The major environmental forces, which make the change necessary are technology, market forces and socio-economic factors. Resistance to change is not desirable. It is counterproductive for growth and destructive in nature. Managers must evolve policies to affect change. Change refers to any alteration which occurs in over all work environment of an organization. It may relate to change in technology, organizational structure, working processes, work environment, organizational policy and even the roles people play. Introduction of change in one part in an organization forces change in other part. If the change is beneficial people accept it willingly. If it is not desirable, there is great resistance. If it is of no consequence to the people, they may adopt an attitude of indifference. If they consider the change detrimental to their growth and prosperity, they may resist through counter pressure. This reaction is based not necessarily on the reality or facts but on their perception. The change therefore should be sufficiently strong enough to overcome the counter pressure. Due to advancement of technology and social environment change has become a necessity.

Why is change important to managers and organizations? Simply stated, organizations that do not bring about timely change in appropriate ways are unlikely to survive. One reason that the rate of change is accelerating is that knowledge and technology feed on them, constantly creating innovations at exponential rates. Few business leaders would have envisioned in the mid-1990s, the revolutionary impact the Internet and World Wide Web would have on business practices in the early 21st century. An organization is

thus subject to two sets of forces: those of the external political, social, economic and competitive environment and those internal to the organization



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## **1.2 Forces for change**

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An organization is an open system which has to interact with environment and is solely dependent on it. Any change in environment makes it necessary for the organization to incorporate change in the internal systems, sub-systems and processes. This change has a chain reaction on the other internal elements of organization. For example any change in consumer preferences, may change product feature, cost, technology, marketing strategy and the like. Organization must interact with external environment in order to survive.

### **1.2.1 External forces**

#### **1. Political Forces**

The transition of the East-European nations to democracy and a market economy, the opening up of the economy of South-East Asia, the collapse of the erstwhile Soviet Union, the unification of Germany, the Gulf War, the Iraq war are some examples of the political upheavals that have had widespread repercussion around the world, bringing a plethora of changes in their wake.

#### **2. Economic Forces**

The uncertainty about future trends in the economy is a major cause of change. For example, fluctuating interest rates, declining productivity, uncertainties arising from inflation or deflation, low capital investments, the fluctuating prices of oil (petrol), recession, and the lowering of consumer confidence have a marked impact on different economies, and therefore, an organization. The national financial systems of countries are so interrelated that a change in one produces a ripple effect on the others- for example, the economic crisis in Thailand affecting markets across South-East Asia. Changes in the capital markets arise out of change in the accessibility of many of the banking systems of different economies.

#### **3. Technological Forces**

The world is presently characterized by dramatic technological shifts. Technological advancements, particularly in communication and computer technology, have revolutionized the workplace and have helped to create a whole new range of

products/services. For example, a super- communication system is one the anvil in which about 20 Japanese companies will join a Motorola Inc. led project to set up a satellite cellular telephone system that can be used from anywhere on earth, an idea that services the defunct Iridium global telephony venture. The companies include Sony Corporation, Mitsubishi Corporation, Kyocera Corporation and long distance telephone carriers whose interests include Sony and Kyocera.



Advances in technology have contributed to the development of economies. A case in point is Singapore, which, with almost no natural resources, has created a powerful economic advantage by exploiting the use of information technology in its overall planning. It is poised to become the world's first fully networked society– one in which all homes, schools, businesses and government agencies will be electronically interconnected.

#### **4. Government Forces**

- i. Governmental interventions in the form of regulation also lead to change. A few examples for government regulated change are:
- ii. *Deregulation*: This is lessening of governmental rules and increasing decentralization of economic interventions at the level of the state. What previously used to be essentially government sector services and industries are now being handed over to private companies for operation maintenance.
- iii. *Foreign Exchange*: Foreign exchange affects international trade transactions. In these transactions, payments are often made in terms of a country's own currency, in US dollars, or the currency of a third country. The exchange rate variations determine the currency payments. Prediction of exchange rate

movements depends upon a number of factors such as a country's balance of payments, interest rates, and supply and demand, making it often difficult to forecast.

#### **5. Increased Global Competition**

In order to survive and grow, companies are increasingly making their presence felt globally. The case of the global automobile industry highlights this concept. Japanese automakers Toyota, Nissan, and Mitsubishi have continuously been relocating their manufacturing and assembling operations to South-East Asia where the cost of labour is much cheaper compared to that in Japan. They have also established their plants all over Europe and America to get past import restrictions and in the process have been able to retain a competitive edge in catering to the world automobile market.

## 6. Changing Customer Needs and Preferences

Customer needs and preferences are always changing. Organisations are forced to adapt and constantly innovate their product offerings to meet these changing needs. For example, Sony Corporation, Japan, known throughout the world for its technological innovations in tune with changing customer preferences, has developed a 2.5” hard disk drive for a laptop computer that could hold as much as 1.5 billion bytes of data costs less than the current disk drive holding 80 mega bytes.



### 1.2.2 Internal forces

A variety of forces inside an organization also cause changes that relate to system dynamics, inadequacy of existing administrative process, individual/group expectations, technology, structures, profitability issues and resources constraints.

#### 1. System Dynamics

An organization is made up of subsystems similar to that of the sub-personalities in the human brain. The sub-personalities in the brain are in constant interaction with each other creating changes in human behaviour. Similarly, subsystems within an organization are in creating changes in human behaviour. Similarly, subsystems within an organization are in constant and dynamic interaction. The factors that influence the alignment and relationships among the various subsystems in the context of an organization are, for example technology, internal politics, dominant groups/cliques, and the formal and informal relationships within.

#### 2. Inadequacy of Administrative Processes

An organization functions through a set of procedures, rules and regulations. With changing times and the revision of organizational goals and objectives, some of the existing rules, procedures and regulations could be at variance with the demands of reality. To continue with such functionally autonomous processes can lead to organizational ineffectiveness. Realisation of their inadequacy is a force that induces change.

#### 3. Individual/Group Speculations

The organization as an entity is a confluence of people, each one raring to satisfy his/her needs and aspirations. In an anthropological context, man is a social animal whose needs and desires keep changing. This creates differing expectations among individuals

and groups as to the needs they intend satisfying in the organizational context. Positive factors such as one's ambitions, need to achieve, capabilities, career growth, and negative aspects such as one's fears, insecurities, and frustrations operate as complex inter-individual and inter-group processes inducing change in an organisation's functioning and performance (which may or may not be to the organisation's best interests).



#### **4. Structure Focused Change**

It's a change that alters any of the basic components of an organisation's structures or overall designs. Organisations make structural changes to reduce costs and increase profitability. Structural change can take the form of downsizing, decentralization, job-redesign, etc. For example, IBM, the global computer conglomerate has been trying to downsize. While many people were asked to leave, IBM is now very selective about hiring new personnel. In the process of downsizing, IBM has also changed the firm's strategy and operational procedures.

#### **5. Technological Changes**

Changes that impact the actual process of transforming input into outputs are referred to as technological changes. Examples include the change in equipment, work process, work sequence, information-processing systems, and degree of automation.

Using new technology influences the subsystems in the organization. For example, the technological advancement in computers has revolutionized the design, development and manufacture (e.g. CAD/CAM, robotics) of products. The electronic point of sales system for instance, that permits improved stock control by instantaneously updating records and assessing the actual effects of price change, has improved the sales and marketing of goods.

#### **6. Persons Focused Change**

This is the change concerned with human resources planning and with enhancing employee competence and performance. Redefining organisational strategy and goods; structural change in terms of expansion, contracting technological inputs– all these have implications for human resources management. For example, introduction of new technologies result in person focused change such as: replacement (when an employee cannot be trained further), replacement (to where an employee's current skills are best suited), and employee training and development. It may also lead to laying down new recruitment and selection policies in tune with changing technologies and their requirements. The availability or non-availability of employees with the required skills also influences an organisation's plan for expansion, of venturing into new products/services and of profitability.

## 7. Profitability Issues

A significant change form that has obliged a number of organizations to restructure (downsize, resize) and re-engineer themselves related to profitability issues such of loss of revenues, market share, and low productivity.

## 8. Resource Constraints

Resources refer to money, material, machinery, personnel, information and technology. Depletion, inadequacy or non-availability of these can be a powerful change force for any organization.



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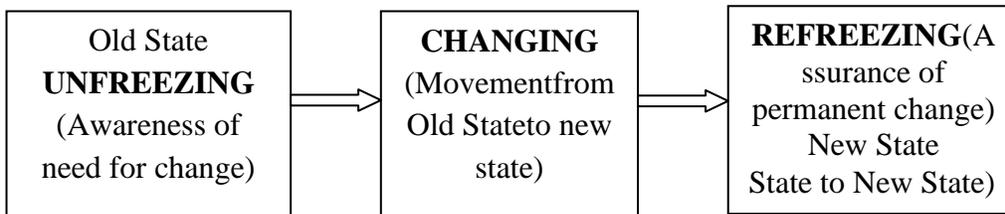
## 1.3 Change Models

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### Change Process

We have earlier discussed that the environment forces companies to change the way they operate which is relatively easy to visualise. What is more difficult to see is the complex interplay of these forces against other organisational dynamics. Psychologist Kurt Lewin developed the Force Field Analysis model to help us understand how the change process works. Although developed over almost fifty years ago, Lewin's Force Field Analysis model remains the prominent way of viewing this process.

Kurt Lewin suggests that efforts to bring about planned change in an organisation should approach change as a multistage process. His model of planned change is made up of three steps—unfreezing, change, and refreezing as shown below:



(Kurt Lewin's Process of Organisational Change)

**Unfreezing** is the process by which people become aware of the need for change. If people are satisfied with current practices and procedures, they may have little or no interest in making employees understand the importance of a change and how their jobs will be affected by it. The employees who will be most affected by the change must be made aware of why it is needed, which in effect makes them dissatisfied enough with current operations to be motivated to change.



**Changing** itself is the movement from the old way of doing things to a desired new way. Change may entail installing new equipment, restructuring the organisation, implementing a new performance appraisal system- anything that alters existing relationships or activities.

**Refreezing** makes new behaviour relatively permanent and resistant to further change. Examples of refreezing techniques include repeating newly learned skills in a training session and role-playing to teach how the new skills can be used in a real-life work situation. Refreezing is necessary because without it, the old ways of doing things might soon reassert themselves, while the new ways are forgotten. For example, many employees who attend special training sessions apply themselves diligently and resolve to change things in their organisation.

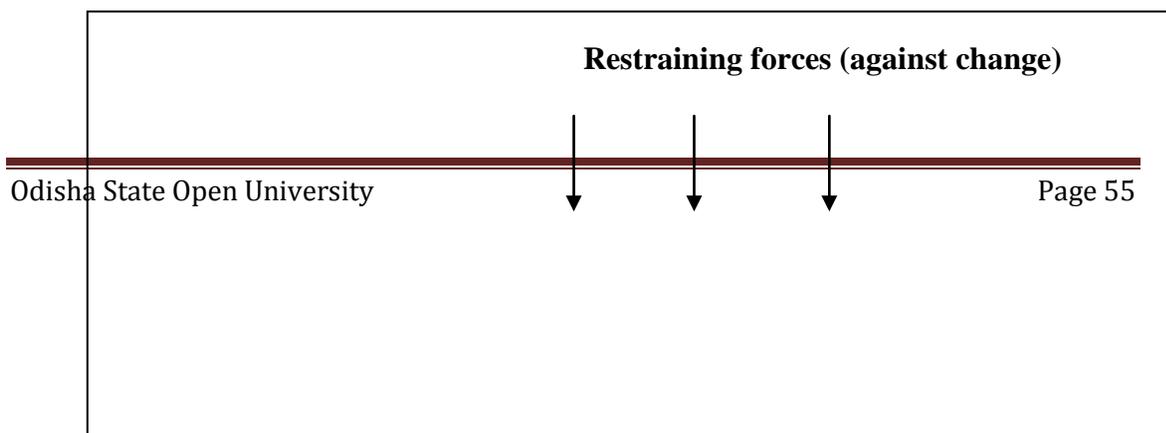
### Force-field Analysis Model

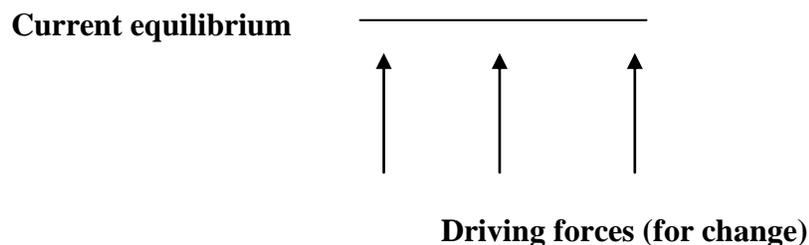
Kurt Lewin developed a 'force field analysis' model (1951) which describes any current level of performance or being as *a state of equilibrium between the driving forces that encourage upward movement and the restraining forces that discourage it*. Essentially this means that a current equilibrium exists because the forces acting for change are balanced by the forces acting against change.

The driving forces are (usually) positive, reasonable, logical, conscious and economic. The restraining forces are (usually) negative, emotional, illogical, unconscious and social/psychological.

Both sets of forces are very real and need to be taken into account when dealing with change, or managing change, or reacting to change.

### Force-field Analysis





Increasing the driving forces is not enough for change, as the restraining forces remain in place, and as long as they remain in place it becomes harder to use the driving forces. An analogy is when you push against a spring; the more you push, the harder it becomes and as soon as you stop pushing the spring reverts to its previous position (after having sprung past that point). Therefore unless both the driving and restraining forces are balanced a kind of yo-yo effect results; a change and then a reversion back, and then a change, and then a reversion back, and then a change, et cetera, et cetera. It's important to note that the restraining forces may not be conscious – i.e. they should not be regarded as being deliberate attempts to subvert change (although they may be).

Lewin suggested that change would be easier and longer lasting if the forces against change were reduced, rather than the forces for change being increased.

Lewin suggested that modifying the forces which maintain the status quo may be easier than increasing the forces for change.

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## **1.4 Management of Change**

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John P. Kotter's 'eight steps to successful change' model John Kotter's book, 'The Heart of Change' (2002), presents a model for understanding and managing change. Each stage acknowledges a key principle relating to people's response and approach to change, in which people see, feel and then change. The model is based on research which shows that there are eight critical steps an organisation or team needs to go through to ensure that change happens and sticks as follows:-



- i. Establish a sense of urgency - make objectives real and relevant - help others see the need for change and the importance of acting immediately - identify crises, potential crises or major opportunities.
- ii. Pull together the guiding team (a 'powerful, guiding coalition') - assemble a group with enough power and the right skills to lead the change effort - encourage the group to work together as a team.
- iii. Create a vision - develop the vision with the team to help direct the change effort - develop strategies for achieving that vision.
- iv. Communicate the vision - use every mechanism and involve as many people as possible to communicate the new vision and strategies for understanding and buy-in - communicate the essentials, simply, to appeal and respond to people's needs - teach new behaviours by the example of the guiding team.
- v. Empower others to act - remove obstacles/barriers to change - change systems or structures that seriously undermine the vision - encourage risk taking and non-traditional ideas, activities and actions - recognise and reward progress and achievements
- vi. Plan and create short term wins - set aims that are easy to achieve for visible performance improvements - create those improvements in bite sized chunks - Finish current stages before starting new ones
- vii. Don't let up - Foster and encourage determination and persistence - consolidate improvements and produce still more change - use increased credibility to change systems, structures and policies that don't fit the vision - highlight achieved and future milestones.
- viii. Make change stick (Institutionalise new approaches) - weave change into the culture - articulate the connections between the new behaviours and corporate success - develop the means to ensure leadership development and succession - reinforce the value of successful change via recruitment, promotion and new change leaders who can implement the vision

These steps are summarised in the diagram below:

Eight common reasons for failure of change management-

In contrast, Kotter also highlighted eight common reasons why change often fails:

- Allowing too much complexity
- Failing to build a substantial coalition
- Failing to understand the need for a clear vision
- Failure to clearly communicate that vision
- Permitting roadblocks against that vision

- Not planning for short term results and not realising them
- Declaring victory too soon
- Failure to anchor changes in corporate culture



**References** Kotter J,(1996), Leading Change, Boston:Harvard Business School Press Kotter J & Cohen D, (2002), The Heart Of Change, Boston: Harvard Business School Press.

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## 1.5 Concept and definitions of OD

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Why is change important to managers and organizations? Simply stated, organizations that do not bring about timely change in appropriate ways are unlikely to survive. One reason that the rate of change is accelerating is that knowledge and technology feed on them, constantly creating innovations at exponential rates. Few business leaders would have envisioned in the mid-1990s, the revolutionary impact the Internet and World Wide Web would have on business practices in the early 21st century.

“Organization development is an organization wide planned effort managed from the top to increase organization effectiveness and health through planned interventions in the organization’s “processes,” using behavioural science knowledge.”

***Richard Beckhard.***

“ OD is a response to change, a complex education strategy intended to change the beliefs, attitudes, values, and structure of organizations so that they can better adapt to new technologies, markets and challenges, and the dizzying rate of change itself.”

***Warren Bennis.***

“OD is a systematic approach to organizational improvement, that applies behavioural science theory and research in order to increase individual and organizational well-being and effectiveness.”

***French and Bell.***

“The aim of OD are (1) enhancing congruence between organizational structure, processes, strategy, people, and culture; (2) developing new and creative organizational solutions; and (3) developing the organization’s self-renewing capacity.”

*Michael Beer.*



“OD is a planned process of change in an organization’s culture through the utilization of behavioural science technologies, research and theory.”

*Warner W. Burke.*

From the above definitions following points emerge:

- OD is a field of applied behavioural science technologies.
- It is related to planned change.
- The study of OD is concerned with the total organizational systems and processes.
- OD is related to achieving congruence among organizational components like structure, culture and processes.
- OD is a long-term strategy intended to change beliefs, attitudes, values and organizational structures. It is carried out to achieve organizational effectiveness and meet the challenges of changed environmental factors.
- The study of OD is aimed at developing overall organization with particular reference to development of organizations renewing capacity.
- It involves initiating actions so that organization’s are transformed into Learning Organisations.

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## 1.5 OD Assumptions

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Basic OD Assumptions that are based upon Reench and Bell in an Organisation.

The Organization development has a number of underlying assumptions which can be examined so as to determine how the OD programmes can be utilized to the fullest potential. These assumptions are based upon French and Bell.

1. Most individuals have drives towards personal growth and development. However, the work habits are a response to work environment rather than personality traits. Accordingly, efforts to change work habits should be directed towards changing how the person is treated rather than towards attempting to change the person.
2. Highest productivity can be achieved when the individual goals are integrated with

organizational goals. Also with such integration, the quality of the product is highly improved.

3. Cooperation is more effective than competition. Conflict and competition tend to erode trust, prohibit collaboration and eventually limit the effectiveness of the organization. In healthy organizations, 'efforts are made at all levels to treat conflict as a problem subject to problem solving methods.

4. The suppression of feelings adversely affects problem solving, personal growth and satisfaction with one's work. 'Accordingly, free expression of feelings is an important ingredient for commitment to work.

5. The growth of individual members is facilitated by relationships, which are open supportive and trusting. Accordingly, the level of interpersonal trust, support and cooperation should be as high as possible.

6. The difference between commitment and agreement must be fully understood. Agreeing to do something is totally different from being committed to do something. sense of commitment makes it easy to accept change and the implementation of change for the purpose of organizational development is even easier when such a commitment is based upon participation in the process.

7. OD programmes, if they are to succeed, must be reinforced by the organization's total human resources system.



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## 1.7 OD Interventions

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### Sensitivity Training

Sensitivity training is a method of laboratory training where an unstructured group of individuals exchange thoughts and feelings on a face-to-face basis. Sensitivity training helps give insight into how and why others feel the way they do on issues of mutual concern. Training in small groups in which people develop a sensitive awareness and understanding of themselves and of their relationships with others. Sensitivity training is based on research on human behavior that came out of efforts during World War II to ascertain whether or not an enemy's core beliefs and behavior could be modified by the application of certain psychological techniques. These techniques have been gradually perfected over the years by efforts of business and industry leaders to persuade people to buy products, including the radio and television industry to ascertain how an audience might be habituated to certain types of programming. Kurt Lewin is credited with being

the ‘father’ of sensitivity training in the United States. Laboratory Training began in 1946 when Kurt Lewin and his staff at the Research Center for Group Dynamics at Massachusetts Institute of Technology were training community leaders. A workshop was developed for the leaders to learn about leadership and to discuss problems. At the end of each day, the researchers discussed privately what behaviors and group dynamics they had observed. The leaders asked permission to sit in on these feedback sessions. Reluctant at first, the researchers finally agreed. Thus the first T-group was formed in which people reacted to information about their own behavior.



Sensitivity could be enhanced by adopting the following view points:

- Everybody is entitled to their feelings, no matter how illogical they are;
- There is no such thing as ‘blame’... Everybody involved is equally at fault;
- A person should not attack, but express their feelings about others’ actions
- Leaving a problem unresolved will make it worse with time;
- Nobody is perfect which includes one self

### **Survey-Feedback**

Survey feedback technology is probably the most powerful way that OD professionals involve very large numbers of people in diagnosing situations that need attention within the organization and to plan and implement improvements. The general method requires developing reliable, valid questionnaires, collecting data from all personnel, analyzing it for trends and feeding the results back to everyone for action planning. “Walk-the-talk” assessment: Most organizations have at least some leaders who “say one thing and do another.” This intervention, which can be highly threatening, concentrates on measuring the extent to which the people within the organization are behaving with integrity.

Survey feedback is a major technique in the history and development of OD. It is a powerful intervention tool and it can reach large numbers of participants. There are five general steps included in a normal survey feedback. The first involves gathering members of the firm in order to plan the survey. This is when the objectives of the survey is determined. The second step involves administering the survey to all of the organization’s members, rather than restricting it to managers and coordinators. Next step would be to analyze the data reported through the surveys. In the fourth step the data is fed back to the organization. Finally, the firms should hold meetings to discuss the feedback and try to determine what, if any, action is needed and how to implement it. OD practitioners could be more involved in some of these steps by training someone to go to the firms and help them interpret the feedback and devise intervention plans.



## **Limitations**

There are limitations to survey feedback that OD practitioners should be aware of. These include:

1. Ambiguity of purpose - there can be disagreement over how the data should be analyzed and returned.
2. Distrust - OD practitioners need to ensure participants that their contributions are confidential.
3. Unacceptable topics - some firms have topics they do not want to explore, which constricts the scope of the survey.
4. Organizational disturbance - this process may disturb the employees, and possibly the whole firm

## **Process Consultation**

The concept of process consultation as a mode of inquiry grew out of insight that to be helpful one had to learn enough about the system to understand where it needed help and that this required a period of very low key inquiry oriented diagnostic interventions designed to have a minimal impact on the processes being inquired about (Schein, 1988). Process consultation as a philosophy acknowledges that the consultant is not an expert on anything but how to be helpful and starts with total ignorance of what is actually going on in the client system. One of the skills, then, of process consulting is to “access one’s ignorance,” to let go of the expert or doctor role and get attuned to the client system as much as possible. Only when one has genuinely understood the problem and what kind of help is needed, can one begin to recommend and prescribe. Even then it is likely that they will not fit the client system’s culture and will therefore, not be refrozen even if initially adopted. Instead, a better model of help is to start out with the intention of creating in insider/outsider team that is responsible for diagnostic interventions and all subsequent interventions.

## **Team Building**

Richard Beckhard, one of the founders of the discipline referred to as organization development gave a systematic framework for the most effective interventions to achieve positive organization change. Beckhard’s team development model serves as a guide for executives and project managers. There are a variety of situations where new teams are formed. The project-based, cross-functional work team has become the basis of industry in the 1990’s. Virtual team organization is rapidly becoming the model for flexibility and agility in organizing quickly and effectively to get jobs done. New teams

usually have a clear task focus in the early going and there is usually a clear understanding of the short term goals. The new team members are also generally technically competent and there usually is a challenge in the project that will draw on their technical capabilities. While the early activities of a team are clearly focused on task and work issues, relationship problems tend to develop as they do in any human system. By the time these interpersonal issues surface the team may be well along in its activities. The issues may become very difficult and very costly to work out later in the game. There is a significant benefit if a new team takes a short time at the beginning of its life to examine collaboratively how it is going to work together. Beckhard provides a tool to set the stage for most effective team-work and high performance. Team Building as an OD intervention can take many forms. The most common pattern is beginning with interviews and other preliminary work, followed by a one-to three-day session. During the meeting the group diagnoses its function as a unit and plans improvements in its operating procedures.



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## 1.8 Let's Sum-up

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Change refers to any alteration which occurs in over all work environment of an organization. It may relate to change in technology, organizational structure, working processes, work environment, organizational policy and even the roles people play. Organizations that do not bring about timely change in appropriate ways are unlikely to survive. One reason that the rate of change is accelerating is that knowledge and technology feed on them, constantly creating innovations at exponential rates. The uncertainty about future trends in the economy is a major cause of change. The change process as such includes unfreezing, change, and refreezing.

Organization development offers a prescription for improving the performance between the individuals and the organization, between the organization and the environment, and among the organizational components such as strategy, structure and process. The prescription is implemented through inventions and activities that address specific problematic conditions. Organizational development is a continuous process.

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## 1.9 Key Terms

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- Change model

- Unfreezing
- Changing
- Refreezing
- OD assumptions
- OD interventions
- Sensitivity training
- Survey feedback
- Process consultation
- Team building



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## 1.6 Self-Assessment questions

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1. Define change. Discuss the impact of change from external environment on organization.

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2. Explain the change process as propounded by Kurt Lewin

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2. Define OD. Discuss Team Building as an intervention of organizational transformation.



## Answers to Self Assessment Questions

### Unit – 1

1. Define human resource management. Explain the nature and characteristics of human resource management.

**Ans :**

Human resource management is that part of management which primarily deals with the management of securing and maintaining the workforce constituents of an organization

Following are the nature and characteristics of human resource management:

1. It is a part of general management.
2. It concerns management of human resources.
3. It helps in the maximum development of personnel abilities so that they may feel satisfied with their work.
4. It establishes human relations at all levels in the organisation.
5. It includes planning, organisation, control and direction of man-power.
6. It is advisory in nature. It contributes to the success and growth of an organisation by advising the operating departments on personnel matters.
7. It is inter-disciplinary. It involves application of knowledge from several disciplines like psychology, sociology, anthropology, Philosophy, economics, Politics etc.
8. It is not a 'one shot' function but a never ending exercise and continues all the 365 days of a year.

## **2 Explain how human resource is different from other resources.**

**Ans :**

Development of human resources is essential for any organisation that would like to be dynamic and growth-oriented. Unlike other resources, human resources have rather unlimited potential capabilities. The potential can be used only by creating a climate that can continuously identify, bring to surface, nurture and use the capabilities of people. When we use other resources, its value are usually depreciated on a continual basis. Whereas when we use human resources over a period of time its value substantially increases in many fold.



## **Unit – 2**

### **1. Define perception. Why perception differs from individual to individual?**

**Ans :**

Perception is the process whereby people select, organise, and interpret sensory stimulations into meaningful information about their work environment.

Perception is the process of interpreting information about another person, event or thing. This clearly highlights for your attention is that the opinions you form about another person depends on the amount of information available to you and the extent to which you are able to correctly interpret the information you have acquired. In other words, you may be in possession of the same set of information that other people have on a particular situation, person or group but still arrive at different conclusions due to individual differences in the capacity to interpret the information that you all have.

### **2. Identify the several factors that affect perception.**

**Ans :**

A number of factors operate to shape and sometimes distort perception. These factors can reside in the perceiver, in the object or target being perceived, situation in the context of which the perception is made. Various factors like 1. The Perceiver, 2. The Target and 3. The Situation are considered to be most vital for affecting the perception (Refer to Page. 13 & 14).

## **Unit – 3**



**1. Explain Sigmund Freud's theory of personality in your own words.**

**Ans :**

Sigmund Freud emphasizes the influence of the unconscious, the importance of sexual and aggressive instincts, and early childhood experience on a person. This theory has been very influential not only in psychology but also in literary circles, art, psychiatry and films. Many of Freud's ideas have become part and parcel of every day usage. Freud started his career as a neurologist.

His theory developed in the course of his observations of his patients, as well as, self analysis. He used free association to help his patients recover forgotten memories. Freud discovered that mind is like an iceberg and we have limited conscious awareness. Freud proposed that psychological forces operate at three levels of awareness.

**2. Describe organizational commitment as a major component of attitude.**

**Ans :**

Like job involvement, highly committed employees will be better performers and have lower turnover than those with low levels of commitment to the organization. It may be understood that when people talk about job attitudes and their impact on behaviour, obviously they are referring to the positive or negative appraisals that people make about their job or organization. Job satisfaction is the most popular attitude measured in organizations, but more recently there has been increased attention given to job involvement and organizational commitment. All these attitudes are measured with a view to predict employee behaviours like performance, productivity, absenteeism, turnover and unionization etc.

## **Unit – 4**

**1. What do you mean by a group? How groups can contribute towards performance in organizations?**

**Ans:**

A group is a collection of individuals, who have regular contact and frequent interactions, mutual influence, common feelings and who spontaneously work together to achieve a common set of goals.

Group of people working together for a common purpose have been a centerpiece of human social organization ever since the beginning of human civilization. Human history is largely a story of people working together in groups to explore, achieve, and conquer. Yet, the modern concept of work in large organizations that developed in the late 19th and early 20th centuries is largely a tale of work as a collection of individual jobs. A variety of global forces unfolding over the last two decades, however, has pushed organizations worldwide to restructure work around groups, to enable more rapid, flexible, and adaptive responses to the unexpected. This shift in the structure of work has made team effectiveness a salient organizational concern.

(For further details please refer to group dynamics).



## 2. Explain the various types of groups in an organization.

Ans.

### Types of Groups

#### 1. Primary & Secondary Groups:-

A **primary group** has intimate, face to face association & co-operation e.g. family, neighbourhood groups, friendship groups

A **secondary group** is formal, may not have any interest in the problems & pleasure of others.

#### 2. Membership & Reference Groups:

A **membership group** is one to which an individual really belongs.

A **reference group** is one with which the individual identifies. The attractiveness of the reference group makes the norms of that group more attractive to the individual who aspires for it.

#### 3. Command & Task Groups:

A **command group** is composed of subordinates who report directly to a common supervisor e.g. a production manager & his subordinates in his department.

A **task group** is usually formed to solve a problem. It is comprised of the employees who work together to complete a particular task.

#### 4. In-groups & Out-groups:

*In-groups* are a cluster of individuals that have a dominant place in social functioning.

The *out-groups* are marginal in the society and referred as minority groups.

#### 5. Formal & Informal groups:

*Formal groups* are created and maintained to fulfill specific needs related to the overall organizational mission:

- a. Designed by Top management for achieving organizational goals
- b. Concentrates more on the performance of job
- c. People are placed in hierarchy and their status determined accordingly
- d. Co-ordination of members are controlled through process, procedures etc

*Informal Groups* are created in the organization because of social and psychological forces operating at the workplace.

- a. A natural outcome at the work place & not designed and planned
- b. Organization is coordinated by group norms and not by norms of the formal organization
- c. Such group associations are not specified in the blue-print of the formal organization

## Unit – 5

### 1. Define change. Discuss the impact of change from external environment on organization.

Change is any alteration in status-quo. Change is inevitable in modern organisations. Nothing is permanent except the change. Organisational change is necessary just to keep the level of stability in the ever changing world of today.

An organization is an open system which has to interact with environment and is solely dependent on it. Any change in environment makes it necessary for the organization to incorporate change in the internal systems, sub-systems and processes. This change has a chain reaction on the other internal elements of organization. For example any change in consumer preferences, may change product feature, cost, technology, marketing strategy and the like. Organization must interact with external environment in order to survive.

The following external environmental factors put a profound impact on organizations:





- Political forces
  - Economic forces
  - Technological forces
  - Socio-cultural forces
  - Governmental forces
  - Increased Global Competition and
  - Changing Customer Needs and Preferences etc.,
- (Explain the above points in brief.)

**2. Explain the change process as propounded by Kurt Lewin.**

Kurt Lewin suggests that efforts to bring about planned change in an organisation should approach change as a multistage process. His model of planned change is made up of three steps— unfreezing, change, and refreezing.

(For details refer Change Models page 51.)

**3. Discuss the various OD assumptions.**

The Organization development has a number of underlying assumptions which can be examined so as to determine how the OD programmes can be utilized to the fullest potential. These assumptions are based upon French and Bell.

1. Most individuals have drives towards personal growth and development. However, the work habits are a response to work environment rather than personality traits.
2. Highest productivity can be achieved when the individual goals are integrated with organizational goals.
3. Cooperation is more effective than competition.
4. The suppression of feelings adversely affects problem solving, personal growth and satisfaction with one's work.
5. The growth of individual members is facilitated by relationships, which are open supportive and trusting.
6. Sense of commitment makes it easy to accept change and the implementation of change for the purpose of organizational development is even easier when such a commitment is based upon participation in the process.

7. OD programmes,if they are to succeed, must be reinforced by the organization's total human resources system.

