UNIVERSITY OF LJUBLJANA

FACULTY OF PUBLIC ADMINISTRATION

ORGANIZATIONAL BEHAVIOR

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Foreword

The present work has been partially revised and updated textbook Organizational Behavior course, which is taught at the Faculty of Administration of Ljubljana, and is intended primarily to foreign students coming to study at the Faculty of Administration of the Erasmus and when they choose this course.

Substance represented by this work, is treated in six main chapters, which each own more or less is a complete whole of certain aspects of organizational behavior, it is possible to study each chapter separately from the others. The chapters are interlinked and set in the order so that they are in the early chapters the concepts of organizational behavior that are the basis for understanding the material in the chapters below. Introductory interest are the first two chapters. The central chapters are chapters on micro, meso and macro organizational behavior. The final chapter is a section on international organizational behavior, as in the age of globalization the international aspects are becoming increasingly important.

Gist of the individual chapters is as follows:

The first chapter difines the notion of organizational behavior, present some important definition of organizational behavior, organizational behavior variables, nesesary skills, models of organizational behavior, contribution disciplines to organizational behavior and levels of organizational behavior.

The second chapter present thhe concept of formal and informal organization. Main parts of this chapter are: difining management phylosophy, the formal organization, formal organizational relationships, formal organizational structure, interelationship between formal and informal organization., the informal organizational advantages, the informal organizational disadvantages and the relationship of management to informal organization.

The third chapter is an outline of the micro- organizational behavior. It includes the foundation of micro- organizational behavior, individual diversity, decision making and creatitity, work motivation and performance and contributing discipines to micro- organizational behavior. Subchapters of this chapter are. personal selection, personality and individual defferences in organizational behavior, motivation and performance, stress, theory of learning and workplace attitude and performace assesment.

The fourth chapter introduces some more important fields of meso organizational behavior, such as the foundation of meso organizational behavior, groups within organization, teams within organization, group dynamics and team effectiveness, communication, decision making and negotiation, leadership of group and organizations, intelligence of leader and menegers, emotional intelligence.

The fifth chapter is a comprehensive outline of macro organizational behavior. The subchapter withis this chapter are: the definition of macro organizational behavioe, power, politics, conflict, organizational structure, organizational design, change and organization, organizational development, organizational culture, organizational climate, theory of symbolism and theory of power, theory of competition.

The sixth chapter is a comprehensive outline of international organizational behavior. It deals with definition of international organizational behavior and cluster systems or organization, Hofstede's model and the critique of his model.

I am aware that this study material concerning organizational behavior is not completed. It means a first attempt written in English. I wish and I expect that further educational process will warn me on deficiencies of that study material. All suggestions for its improvement will be appreciate very muh.

Ljubljana, august 2013

Prof. dr. Štefan Ivanko

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1 DEFINING ORGANIZATIONAL BEHAVIOR

1.1 SOME ORGANIZATIONAL BEHAVIOR DEFINITIONS

In any organization, whatever the nature and scope of activities to perform specific processes. In terms of the dynamics of the organization we all processes and business functions within an organization classified into two main groups, namely:

- fundamental process (operational), the provision of operational functions, production or other work functions and
- management process where control functions are implemented, management, management and leadership.

The basic process and operational functions are organized with the aim of the organization carry out its mission or common to achieve market impact. Management process and control functions are to organize, coordinate and direct the core process and its operational functions.

In management, managerial and leadership process we have to consider three basic aspects: technological, socio-economic and human. In term of organizational behavior is the most important human aspect, which includes common relationships between employees in the organization. This aspect reflects the quality that provides greater or lesser success of the organization.

The processes of the organization, the relations between people, governance, management and leadership, horizontally and vertically are determined by the objectives, organizational structure, size and other organizational characteristics. In addition to administrators or owners as a carrier of management control functions within the organization creates, maintains and develops organizational relationships so that they are structured. This phenomenon is known in management science, under the concept of organizational behavior.

In order to successfully manage and influence organizational behavior are essential integral knowledge about human behavior in organizational relationships, knowledge of the cultural environment of the organization as well as managerial skills in organizational behavior. In structure of organizational science and management occurs interdisciplinary and multidisciplinary field of organizational behavior as a special discipline of organizational and management sciences as well behavior science. Research conducted so far have confirmed the hypothesis that the organizational behavior is a scientific discipline and skill and practice of management. Organizational behavior is scientifically studied and directed and is simultaneously a set of skills needed for effective management and leadership.

In the organizational literature are known many definitions of organizational behavior according to general, theoretical design of organization and sociophsychological design of relationships within the organization. Most researchers of organizational behavior resulting from the initial identification of organizational behavior, given by the D. S. Pugh (Jurina, 2004, p. 6) he says: "In function of objective, structure and practical realization in the organization se up the relations between individuals and groups in work processes, management and administration, we called organizational behavior".

Fred Luthans (Jurina, 2004, p. 6) somewhat narrowly defined organizational behavior as a managerial skill to understanding, prediction and control human behavior.

Baseline definition of organizational behavior is that organizational behavior is the study of human behavior in organizations. The definition therefore tells us that people in organizations behave differently from outside organizations. Organizational behavior is therefore the science of how people behave when they are as members of formal organizations (Stuart-Kotzen and Pagon, 2001, p. 4).

Organizational behavior is a special field of study of the impact that individuals, groups and organizational structure have on behavior within organizations, to apply such knowledge to improve organizational performance (Robins, 1989, p. 4-5). This definition suggests that the organizational behavior is a specific study, which covers three areas of behavior in organizations: individuals, groups and organization as a whole. The definition also emphasizes that organizational behavior is an applied science, which acquired knowledge can apply to enhance the performance of organizations.

Organizational behavior is a special discipline, which designs and uses its knowledge using scientific methods. The use of scientific methods allows us to distinguish intuitive insights, which come with a random experience or observation of behavior of individuals or groups. Scientific findings are the result of scientific studies, are the result of systematic screening, detection of the causes and consequences of termination and based on scientific evidence. In doing so, it should be noted that there is no need to have intuitive knowledge completely wrong. Intuitive knowledge of most managers, based on the acquired intuition, is mostly wrong.

Scientific knowledge is basically generalizations that you can access the study of concrete examples. People are different, which leads us to conclude that different individuals in the same circumstances behave differently. If we observe a sufficient number of individuals in specific situations, we find in human behavior or some common features a kind of "legality". Such laws or. Consistency, once known, allow us to predict the behavior of people. Managers who know the theoretical knowledge about human behavior, they can fairly accurately predict the behavior of individuals and groups in specific situations. This allows them to select appropriate methods and techniques to individuals or groups.

Study of organizational behavior enables us to understand (explain) individual and group behavior in organizations, so that we can provide knowledge and know how to handle that (Pagon, 2001, p. 5).

Organizational behavior teaches us to recognize and manage individual and group behavior in organizations. In this respect, the question is about the relationship between organizational behavior and management. This is not a synonym, because management is much broader than organizational behavior. Knowledge of organizational behavior requires each manager. Understanding the behavior of individuals and groups is an important contribution to education and development managers. In performing its basic functions: planning, organizing, management and control, managers need to know what effect their actions will have on people. According to that managers are working with people, understanding human behavior is a key to a successful manager. Since managers are dealing with other components: equipment, finance, marketing, etc., must cope with in addition to knowledge about human behavior and knowledge in other areas: accounting, marketing, finance, purchasing, production systems, business forecasting, designing strategies and policies, ect.

Given the above, we can conclude that it is an important area of organizational behavior for management (the science of management organizations). It is therefore quite understandable that the organizational behavior is a part of its history, management, since it is formed in his realm.

The process of organizational relations, called organizational behavior, is the subject of several disciplines with different perspectives (psychology, industrial psychology, communication, psychiatry, sociology, anthropology, political science, etc.). Complete organizational behavior is studied in the organizational sciences as a separate discipline.

Various contemporary theories of organization, the organizational behavior differently define (Jurin, 2004, p. 7).

System theory states that the organizational behavior of employees in work processes and control functions is determened by design of multidimensional communication networks and is realized in formal and informal organizational composition. This behavior has also its relationship to environmental organizations.

Interaction psychology derives from the thesis that the behavior of individual is a result of continuous multidirectinal interaction of personality characteristics and features of the situation.

With the development of the science of management, as the theory and practice on a scientific basis, there is a need for skills that are necessary for successful organizational behavior and its guidance from management and all employees of the organization. Given the above definition we can speak of organizational behavior as an interdisciplinary or multidisciplinary field within organizational science and organizational behavior as a skill, especially as a management skill.

Organizational Behavior is a field of research which helps us to understand, explain, predict and change human behavior in organizations (Wagner III & Hollenbeck, 2002, p. 5). By the same authors in the light of that definition should be considered:

1. Organizational behavior directed at an individual, for example.: How people talk with colleagues, working with the equipment or prepare reports. This is also related to internal positions, such as thinking, perception and decision making about organizational activities.
2. Organizational behavior, which includes analysis of how people act as individuals or as members of the organization.
3. Organizational behavior, which refers to the group and the entire organization. Neither the group nor the organizations do not behave the same. Nevertheless, the events occurring in the organization, which can not be explained by the behavior of individuals. Such events can be explained only by collective or organizational processes.

Organizational behavior is the field that seeks to establish that they affect individuals, groups and the environment in the behavior of individuals within organizations, thus always seeking efficiency in the company's activities.

The study of the behavior of people within a company is a challenge never before thought of by managers and today is one of the most important tasks the organization must seek to accommodate people who are different because the human aspect is the determining factor in the ability to achieve the goals of the organization.

Take note that organizational behavior is a discipline that manages to combine contributions from various disciplines that are based on behavior i.e. psychology, anthropology, sociology, political science, among others.

1.2 ORGANIZATIONAL BEHAVIOE VARIABLES

Within the study of organizational behavior considered dependent and independent variables.

The **dependent variables** that they consider some authors are:

- Productivity. Productive if the company is understood to be effective (achieving goals) and efficient (the efficiency that go hand in hand with low cost) at the same time.
- Absenteeism. Every company should keep absenteeism within their ranks because this factor greatly modifies the costs; there is no doubt that the company may not reach their goals if people are not going to work.
- Job satisfaction than the amount of reward that the worker receives for his effort to be balanced and that employees will feel the same line and are convinced that is what they deserve.

The independent variables that affect the behavior of people are:

- Variables at the individual level. All of which are those that have a person who accompanied her from birth, as their values, attitudes, personality and their own skills that are potentially modifiable by the company and that influence their behavior within the company.
- Variables a group behavior that people have to be in contact with others is very different and it is factor of study.

1.3 FOUNDATIONS OF INDIVIDUAL BEHAVIOR

Seeks to answer to the variables that impact on productivity, absenteeism and the turnover and job satisfaction. It is valuable at this time begin to observe the factors that are easily identified in all the people that are biographical characteristics:

- Age. Says that older people are less productive and it does not because unlike these young people have experience and are hardly replaced. It also said that an older person becomes less are willing to lose their jobs by the lack of opportunities they have. However an older person can be part of absenteeism due to diseases that can enter.
- Gender. The first thing we must take into account is that between men and women are few differences in the performance of work. With regard to working hours women prefer one where you can combine their work, as well as studies of women have higher rates of absenteeism because we live in a culture where the woman is tied to home and family situations:
- Marital status. No evidence that this factor has a lot but it is believed that married men are more responsible has few absences and is more satisfied in their work because they have a family and need to ensure their interests.
- Joined. This makes the situation that the old brand in the job productivity in a positive way the longer the company has been more perfect in their work. Besides being more satisfied with what is done. But as far as rotation is not as good as the picture at times by not creating seniority is terminated firm's relationships with the employee.

1.4 NESESARY SKILLS

This term refers to the ability of an individual pear carry out various activities, where each of the individuals are not equal so it is looking for people bringing skills and to encourage appropriate use:

- Intellectual abilities. Are those we use to perform mental activities, this can be measured by test or tests to organizations, schools, government departments, there are seven dimensions: numerical ability, verbal comprehension, perceptual speed, inductive reasoning, spatial visualization and memory.
- Physical skills. Requirements are needed for tasks that require strength, vigor, skill, where the physical capacity is to be identified by management.
- Personality. We speak of the personality that is how the person acts with others and acting with its environment. Are forming throughout the life of the person and based on several factors, heredity, factors that gave birth in the height, weight, gender, temperament, physical environment, early learning, how they grew, they gave us culture, social groups that surrounded us.

One speaks of the search to find all of the personality characteristics that identify people by the end of several studies have found that 16 features are those that reflect a more general behaviour of an individual in a specific manner. Through the indicator type Meyers-Briggs (MBTI), which is a personality test of 100 questions were classified individuals into four personality types: introverted or extroverted, sensitive and intuitive, rational or emotional, and perceptual or wise.

The attributes of the most influential personality in organizational behaviour are:

- Rather than control. There are people who think they are responsible for their style of life and destiny. In internal control what happens or externally, through external forces.
- Machiavellianism. Take the name Machiavelli who wrote about how to gain and use power. Such people believe that the end justifies the means, they like to handle more and earn more and are therefore not easy to persuade.
- Self-esteem. Is the extent to which it is accepted by oneself this feature often determines the success of people, all those with a high self-esteem will be able to face challenges outside their fear or conditioning, and it will not be very susceptible to external situations.
- Auto monitoring. Being able to adapt my behavior to situations that arise in everyday life that is what this talk of people with high self-monitoring can show different sides of themselves as required but are sometimes contradictory but will be considered for promotions within the company or other organizations.
- Taking risks. Referred to in management positions within a company should be sought to accept responsibility in making decisions. According to studies on the extent to which risks are taken depends on the few occasions since it plays.

Learning is the change that occurs at any time change our behavior, and that is linked to the experience gained over time. You may have knowledge of situations or activities, but learning is that we apply that knowledge. Based on the positive reinforcement you can find ways to increase the performance of individuals, as it is observed that good behavior is rewarded, it is better to strengthen punishment (only can cause adverse effects).

Suggested for all managers to show the image to the other is the example to follow, which do not use company resources, it is timely, not look for excuses not to meet its objectives.

1.5 VALUES, ATTITUDES AND JOB SATISFACTION

We must bear in mind that the meaning of job satisfaction will always be a key point we need to treat because it depends on where the employee sits in line and show them what it is productive. However, the values are basic modes of behaviour that affect the behaviour of the employee and must also take into account.

All people have a value system based on the relative importance we give it.

The values are studied because they are the basis for understanding the attitudes and motivation, and because they influence our perception. All values of each person have a source from which they are family, friends, school teachers, the culture of the country where you live, but the values that are regularly show that acquired in the early years of our life. So that values can fall so they can determine a logical form that kind of behaviour will be used from this typology. I must hand the values that are part of the personality which is that such beliefs will be present throughout an individual's life and that these show a vision of right and wrong from the subjectivity of the individual. Reflected whether or not it is good the death penalty, whether or not it is good to have power and money, etc.

Attitudes are to approve or disapprove of the criteria of evaluation is known is how to represent as a person feels. The attitudes are not the same but the values are connected. Like the values we adopt the attitudes of parents, social groups, and teachers. Born with some predisposition, and as we grow we see that the people we respect, admire or said even those we fear. We shape our attitudes to be watching the others. It is also said that attitudes are more volatile because they are moulded to the convenience of individuals or companies from obtaining such a desirable behaviour.

The **types of attitudes** that are considered are those that relate to work and they focus on organizational behaviour and more so are three attitudes:

Job satisfaction. That is the attitude that takes an employee about their work. Logical form of those who obtain a high level of satisfaction with their positive attitudes and provide charitable-

Commitment to the job. Recently taken a term for which that study is that measures the degree to which the person is valued himself by identifying sociological in its position within the company. To fully identify the workers really care about the work they do.

Organizational commitment. Is one that relates to the employee identifies with the company, goals, objectives, and this put it like any other working there, this is referred to the service person to identify with the organization and commitment to Work to identify with their specific task.

People's attitudes are changing very situation that managers have observed and which seeks solutions, refers to situations where the employee previously assumed possible constraints to the development of a person in the present and the future.

As companies invest in training to re-shape the attitudes of employees.

Job satisfaction and hit above involves measuring this kind of satisfaction, as it determines and affects employee productivity.

The work is not only making your specific tasks, there is also friction with other staff, procedures and standards, i.e., job satisfaction are based on the sum of all these activities.

There are two methods for measuring this concept:

Globally unique. Ask employees "considering everything. How satisfied with the job?. Responses were taken on a scale of 1-5 which provides two extremes in response" very satisfied "and" very dissatisfied".

Characterization of the sum. It identifies key areas of work of people and asked about them, adding the results through a scale.

Job satisfaction can be determined by the type of activities (i.e., the job has the opportunity to showcase your skills and offer a degree of challenge for which there is interest). Those employees are well compensated through their wages and salaries in line with the expectations of course each. That working conditions are adequate, not dangerous or uncomfortable which makes their performance better. Besides looking for employees who work within the immediate supervisor is friendly and understandable to listen when needed.

Dissatisfaction at work is reflected in the imminent departure of employees who express situations or to help improve industrial relations firm, also fairly expect the conditions to improve.

1.6 MODELS OF ORGANIZATIONAL BEHAVIOUR

Autocratic model: It was the prevailing pattern during the Industrial Revolution. It is based on power, which should have controlled the power to demand. The management is aimed at a formal and official authority that is delegated by law to heads of those whom it applies. Cree that management knows what it does and employees must follow his orders. Employees must be persuaded and pressured to do their work. The management is thinking, they work. Establishing rigid controls. Guidance to the obedience of a pattern and not a manager. Psychological dependence is the result of the head. Performance is minimal, then so are wages. Needs to be satisfied employees are subsistence for themselves and their families. Advantages: A useful way to do the job. Disadvantages: high cost in human aspects.

Model of care: It arises from the recognition of the managers of the feelings of dissatisfaction, insecurity and frustration of the employees against the autocratic model. Began social welfare programs for employees, in order to provide security. It is based on the economic resources necessary to provide full benefits. Then, the orientation is towards the management of money. Generating unit of the individual to the organization. Maintenance needs are met and performance is passive cooperation. Advantages: provides satisfaction and security for workers. Disadvantage: does not achieve an effective motivation. The workers produce far below capacity and are not motivated to develop to higher levels. Is pleased but not satisfied.

Model support: It depends on the leadership. Through this, management creates an environment that helps employees grow and achieve things that they can perform together with the interests of the organization. Managerial guidance is to support the employee in his performance, his role is to help employees solve problems and execute their work. The psychological result in employees a sense of participation and collaboration in the activities of the organization. ("We" instead of "them" when talking about the organization). This model works better in richer countries.

Collegiate Model: The term refers to a collegial group of people with common purpose, they tend to be more useful in terms of work schedule, intellectual, and circumstances that allow a leeway of work. This depends on the generation by the address of a sense of camaraderie with employees; the result is that these are necessary and useful. It was easy to accept and respect the role of the organization. Instead of being seen as leaders, were seen as collaborators to the managers. This aims to create a strict mutuality in which each person performs their own and appreciate the contributions of others. The guidance addressed the team and the response from employees is the responsibility and feel himself obliged to meet quality standards that represent a recognition for its work for the company. The result of the psychological model in the college is self-employed.

1.7 CONTRIBUTING DISCIPLINES TO ORGANIZATIONAL BEHAVIOR

For better understanding of the content and aim of OB in theory and also in managerial practice, it is essential to familiarize its origins and history. According to some authors, OB formed as discipline in the second half of 1940's. However, the concept of organization in the workplace, people's motivation and measurement of working productivity had been already the object of interest in classical theory of management represented by F.W. Taylor and M. Weber with their theories of human resource management, total quality management and contingency approach to management (Rudy, Jan., Luptakova, Stanislava., 2001., p. 8).

OB includes the connection of studies related to behavioral sciences like *psychology, sociology, social psychology, anthropology*, *economics* and *political science*. The main goal of this study is to make sure that human behavior contributes to the organization development and higher efficiency. Psychology gives the fundamentals mainly at the individual (micro) level of behavioral analysis. On the other hand, sociology and social psychology put their attention to study at group (meso) level. However, all above mentioned disciplines with the other related create the basement for study at organizational (macro) level of the analysis.

Psychology is a science which tries to measure and explain human behavior in a given situation and predict the actions taken by individuals. Sometime, it also tries to change individual behavior with the help of various theories. With the deeper study of theories developed by psychologists and their practical application in workplace, it can significantly improve personal skills, change some attitude and develop positive approach to organizational system. To learn OB knowledge is essential mainly for

consultancy agencies, managers as well as industrial and organizational psychologists when solving issues such as employee's dissatisfaction, disinterest to work content, and any other factor that can influence work performance efficiency. When selection of employees with desired attitude and characteristics is required, many psychological tests are created after long research process of choosing appropriate type of questionnaire.

Sociology deals with the issues concerning the group of people where individuals play their roles in social system. This means that it studies the way people behave to each other within a group. Sociologists have contributed to OB study by analyzing theories of group dynamics, work team, power, conflict and intergroup behavior. At the organizational level, sociologists give great fundaments for further study of organizational culture, changes, communication and organizational technology.

Social psychology is a branch of psychology which represents the interconnection of both psychology and sociology. It mainly focuses on the acceptance and dealing with some changes within a group as well as it provides the analysis of group decision making, processes and attitude changes within a group.

Anthropology is a science studying the societies and human beings activities. It provides the theories about human evolution, history of evolution, geographic distribution, group relationships and cross-cultural analysis. It helps to compare human characters from different origins and cultures within a group under different comparative studies. This science has become very important with spreading globalization and many industrial mergers over the world. It is crucial for managers to know how to deal with workers from different cultures and origins and to find the adequate way of manipulating with them with the aim to create friendly and effective working environment.

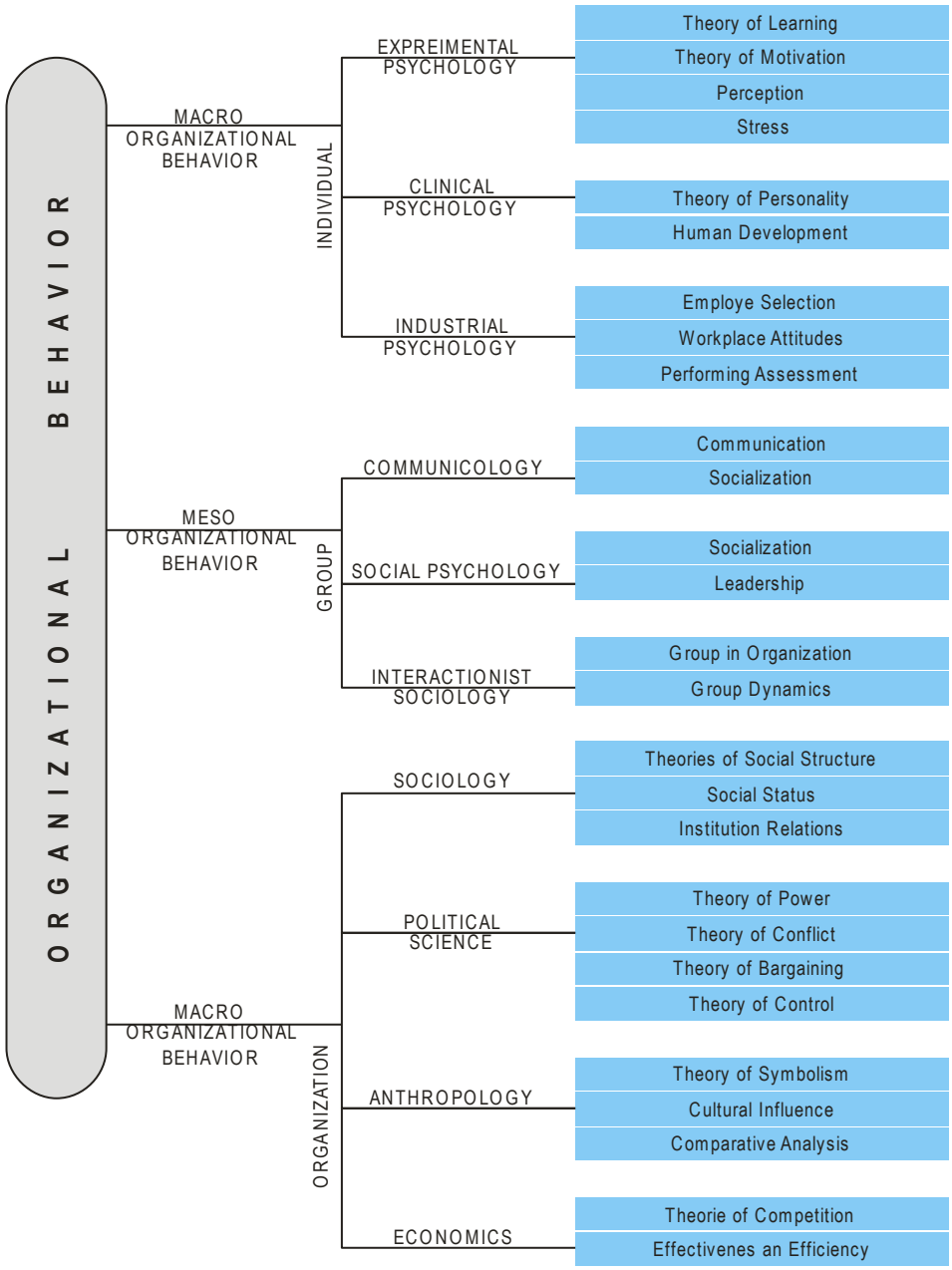
Political science has helped us to understand how differences in preferences and interests lead to conflict and power struggle between groups within organizations (George, Jennifer M., Jones, Gareth R., 1996, p. 9). Whole state government or organization and the society have to obey various political rules with the aim of growth.

The study of organizational behavior represents the outcome from the mutual interactions of all abovementioned disciplines and helps us to recognize its dimensions.

1.8 LEVELS OF ORGANIZATIONAL BEHAVIOR

Field studies of organizational behavior has it's origin in the late 1940s. Years. Since that time have been subjected numerous studies in the field of psychology, sociology, political science, economics and other social sciences. Notwithstanding the achievements of these sciences, organizational behavior has proved to be a specialty that requires its own study. In the current macro-, meso-and micro organizational level (Wagner & Hollenbeck, 2010, p. 31):

Figure 1.1: Levels of organizational behavior



Source: Adapted from Wagner and Hollenbeck, 2010, p. 31.

Micro organizational behavior deals with the behavior of individuals. This type of organizational behavior treats three areas of psychology.

Experimental Psychology contributes theories of learning, motivation, perception and stress.

Clinical psychology complements models of personality and human development.

Industrial psychology offers theories on the selection of employees, the positions of jobs and the evaluation results.

Micro organizational behavior has its own psychological orientation. Among the many issues it researches:

- How do differences in the ability affect the productivity of employees?
- What motivate employees at work?
- How do employees develop perceptions about their jobs and how this question of perception affect their behavior (e.g.). To someone is organization the place where he or she is serving his salary, but to someone means the place of self actualization their knowledge, skills and abilities)?

Various personality characteristics have an impact on that business in the same situation different people behave differently (one is sweet, the other is angry, the third indifferent, etc..).

Various personality characteristics have an impact on that business in the same situation different people behave differently (one is sweet, the other is angry, the third indifferent, etc..).

Various possibilities of influencing on the other, which results of organizational power (defined with organizational empowering of individual or his or her personality, authority, etc..).

Meso organizational behavior has focused on the behavior of people working together or human behavior in groups. Knowledge of meso organizational behavior conduct research on discovering of communicology, social psychology and interactive sociology, offering theories to areas such as socialization, leadership and group dynamics. Meso organizational behavior primarily looking for answers to questions such as:

- What forms of socialization heartened by staff to participate?
- What mix of skills among team members increases team performance?
- How do managers determine which potential leader will be most successful?

Given that terms that from meso organizational behavior point of view organization consists of a definite number of permanent or ad hoc groups formed, it is important to determine:

- How we work as a team, department, sector, etc..?
- How to communicate in a formal or informal organization?

Macro organizational behavior is directed at understanding the organizational behavior of the entire organization. Origin of macro organizational behavior is found in four disciplines:

Sociology offers a theory of the structure, social status and institutional relationships.

Political science try to develop theories about power, conflict, negotiation and control.

Anthropology contributes theories of symbolism, cultural influences and comparative analyzesEconomics provides the theory of competitiveness and efficiency.

Research on macro organizational behavior provide answers to questions such as:

- How is power distributed in the organization and how to keep it?
- How can we resolve conflicts?
- What mechanisms can be used to coordinate work activities?
- How the organization will be structured to manage its environment?

Structure and functioning of each organization and its processes, in particular in intergroup dynamics reflect the quality of individual forms of organizational behavior, which is mainly reflected in:

- effectiveness of coordination and cooperation among organizational units and working groups,

- use formal and informal channels in interorganizational communication,
- relations of organization and its parts in particular management to the environment.

In addition to micro-, meso- and macro- organizational behavior some authors differ interpersonal behavior or interpersonal level of organizational behavior. This reflects the level of organizational behavior in interpersonal communication, which is seen in the (Jurin, 2003, p. 8):

- How to be with our colleagues, subordinates, managers?
- How to use the organizational power?
- How to behave in conflict situations?

At all four levels appear different specific forms of organizational behavior from colleagues and managers, depending on their skills and modes and forms of behavior. It is therefore necessary to develop a range of different skills of organizational behavior, which vary by level and by type of work and managerial functions performed by individuals within the organization.

Review questions

4. In terms of the dynamics of functioning of the organization by classifying functions in the organization's to operational and control. For what purpose are organized these functions?
5. In the control management process must take into account technological, socio-economic and human aspects. What does the human aspect in terms of organizational behavior mean?
6. Management as a carrier of control functions within the organization shall establish, maintain and develop the organizational relationship so to structure them. How do we call in management science this phenomenon?
7. Organizational behavior is a special discipline of organizational and management sciences.
8. Of organizational behavior, there are many definitions.
9. Name some important definitions of organizational behavior!
10. Organizational behavior is a scientific discipline. Why?
11. What benefit managers have of the knowledge of theoretical aspects of organizational behavior?
12. What is the difference or similarities between organizational behavior and management?
13. Which scientific disciplines study organizational behavior?
14. What kinds of organizational behavior you know?
15. What do you mean by interpersonal behavior?

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2 FORMAL AND INFORMAL ORGANIZATION

2.1 CONCEPT OF FORMAL AND INFORMAL ORGANIZATION

The topic of this part work is the role of formal and informal structures within organizations. The behaving of organizations is a very complicated issue and follows different influences. One very important influence on this behavior are informal networks, social relations between the employees. Especially nowadays in the modern working world, where knowledge workers and specialists as subordinates to the managers have in reality more power than in previous times, the focus on informal structures may not be underestimated, because „such informal or unprescribed processes may help or hinder the attainment of the organization's goal“ (Penny, 1967, p. 271). The discussion about this can be seen as part of a „modern management process“ (Schreyögg, 2012, p. 330).

This part of the work will try to give a general oversight for a person who doesn't know anything about the influence from informal organization on the structure of any organization like a company or a governmental department with the aim that he or she understand the general basics of this topic. To maintain this goal, a literature analysis on actual and classic works was the basis of this part of the work.

First, it will introduce the reader to a definition of what managament and organizational behavior is, before it puts the focus on the formal organization, its relationships and structures.

After that, it will work out the interrelationship between the formal and the informal organization. Moreover it will list the advantages and disadvantages of informal organization on the organizational behavior. At last point of this part of the work, it will show which approach the management needs to bring to deal with the informal organization, and how it can get advantage from it.

2.2 DEFINING MANAGEMENT PHILOSOPHY

According to Wagner and Hollenbeck, management „is the process of influencing behavior in organizations such that commons purposes are identified, worked toward, and achieved“ (Wagner, 2010, p.3). So management is to maintain an organizational structure in which procedures and processes are planned by rationality and formal directives by managers to reach a given goal through the subordinates. The main functions of a management are planning, organizing, decesion making, coordinating, control and leadership (Robbins, 2011, p. 34).

Peter Drucker on the other hand increases the term „management“ in a way, that organizations are able to deal with the challenges of the new century. In his opinion, management should not only be seen as an isolated science for the leadership of companies. Management should be a widespread of techniques which are influenced and determined from the surroundings of the organization.

The future management must be able to deal with quickly changing environments in- and outside the organization and therefore must develop a strategy of systematic innovation. As a key factor for the future success of an organization, Drucker said, is the awareness of the so-called „knowledge culture“ and the corresponding qualified employees. Because of that it is really important for management to shape and influence the organization and its behavior in a way, that this new type of subordinate can be won and hold in the company (Drucker, 1999, p. 17).

2.3 DEFINING ORGANIZATIONAL BEHAVIOR

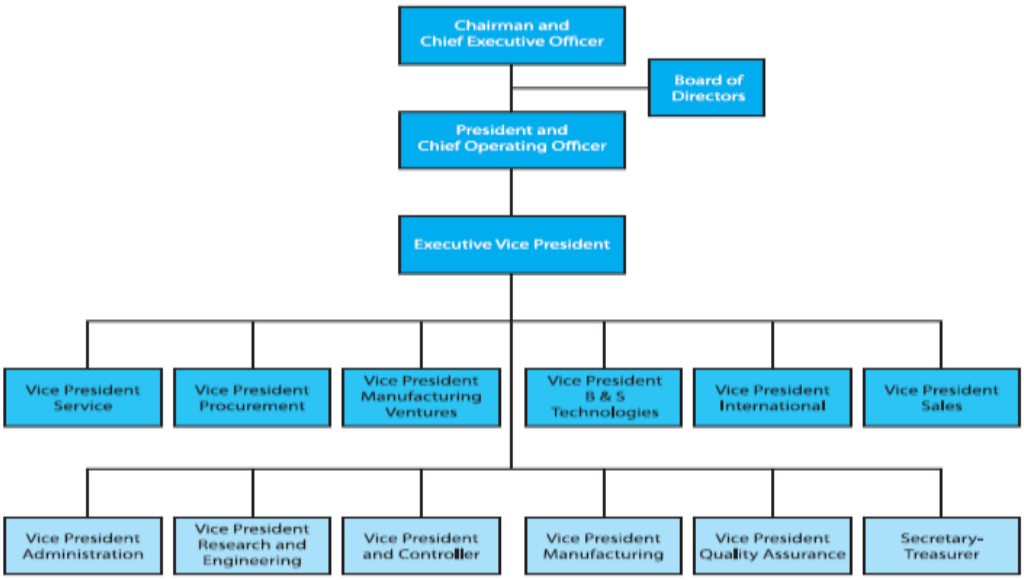
Organizational behavior is explained as a „field of study endeavors to understand, explain, predict, and change human behavior as it occurs in the organizational context“ (Wagner, 2010, p. 5). It focuses on observable behaviors like written reports or the style of talking in meetings. Also it puts the focus on internal states like thinking and decision makings and the behavior of the employees and how firstly they behave as individuals and secondly, how they behave in fulfilling their organizational roles, as a member of the group in organization. Organizational behavior also tries to find out how groups and organizations behave per se, because „some events occur in organizations that cannot be explained in terms of individual behavior“ (Wagner, 2010, p. 5). The field of organizational behaviour is segmented into three subfields: micro organizational behaviour, meso organizational behaviour and macro organizational behaviour.

2.4 THE FORMAL ORGANIZATION

As defined by Schein, the formal organization is „the planned co-ordination of the activities of a number of people for the achievement of some common, explicit purpose or goal, through division of labor and function, and through a hierarchy of authority and responsibility“ (Schein, 1988, p. 15).

The formal organization is build up of deliberated planning and creating, a co- ordinating of the activities and hierarchically structuring. Also it is based on principles like defined relationships of responsibility and authority. The best example for a formal structure is an organization chart, or formal job descriptions, policy manuals and written rules and regulations, which the organization members have to obey (Mullins, 2010, p. 80).

Figure 2.1: Organization chart



(Source: Wagner, 2010, p. 15)

It is difficult to define the boundaries of a formal organization because it consists of coalitions and sub coalitions of individuals. The membership depends on the type of organizations, but it can, include „managers, administrators, workers, elected representatives, appointed officials, volunteers, shareholders, suppliers, trade union officials, leaders of interest groups, customers, clients, patrons, donors, specialists, consultants and representatives of external agencies“ (Mullins, 2010, p. 80).

Any formal organization consists of an operating component, which includes the organization members who are actually producing the products or providing the services of the company, and also an administrative component with managers and analysts who are responsible for supervision and co-ordination.

Taken this as basic assumption, Mullins develops five main components of a formal organization: an operational core, operational support, organizational support, middle management and top management (Mullins, 2010, p. 81).

The operational core can be defined as the technical and productive operators in the organization, f.e the workers on the assembly line who are putting parts of automobiles together, or a cook who prepares the meal in a restaurant. The operational core performs directly and is responsible for the actual task activities of the organization.

The operational support can be seen as a part of the operational core, but is more indirectly concerned with the actual technical and productive operating. The task of the operational support to ensure the actual flow of operational work through quality control, progress planning, technical services, etc.

As third component, the organizational support is responsible for the provision of services for the whole organization. Examples are human resources departments, canteens, management accounting or medical services.

In charge for strategic decisions, the organization as a whole and the interaction with external environments is the top management: Governors, chief executives, boards of directors and so on, who also take care of broad objectives and policy issues for the organization.

To bring all the named components together and to ensure that the organization is effectively and efficiently running, the middle management exists. It is mainly concerned with the co-ordination, implementing of strategies and providing links between all four named integral parts of a formal organization (Mullins, 2010, p. 81).

To figure out more detailled how this components, and the subordinates and managers in these structures, are working together in practice, the next chapter will try to explain which different types of relationships can be found in a formal organizational structure.

2.4 FORMAL ORGANIZATIONAL RELATIONSHIPS

There are four different types of individual relationships which can be found in a formal organizational structure according to Laurie Mullins: the line, the functional, the staff or the lateral relationship (Mullins, 2010, p. 566).

In a line relationship, the chain of command goes vertically from the highest position in the company, f.e. a managing director, lower to next subordinate and so on. Every subordinate in the organization is responsible to only one superior person. This superior person has the full authority and responsibility for all activities, matters and problems of his subordinate employees. This type of relationship can usually be found in organizations with a functional or departmental division of work and organizational control.

Moreover, the functional relationship describes the position of employees between specialist or advisory positions, line managers and subordinates. Specialists are responsible for common services in the whole company, but have no direct authority over the recipients of their services provided. A good example for a specialist would be a manager for human resources, who is involved in all departments

of an organization. Although the specialist has no direct authority, he can be assigned with rights of command for specified responsibilities throughout the organization.

The so called staff relationship is an explanation for the role of personal assistants to senior members in an organization, and their role in the command structure in different departments. Most of the time, assistants don't have their own given authority, but exercise „representative“ authority and responsibility in the absence of the senior member.

As the last one, the lateral relationship is very important for the co-ordination and effective performance of the organization. This relationship exist between employees from different departments and may be specified formally, but can be seen as part of the informal organization in which this part of the work will introduce to the reader later (Mullins, 2010, p. 567- 568).

The next chapter will put the focus on the different formal organizational structures, in which these relationships occur.

2.5 FORMAL ORGANIZATIONAL STRUCTURES

As Wagner and Hollenbeck write in their book „Organizational Behavior“, „the primary means of coordination leads to the creation of a bureaucratic organization structure in which rules, regulations, and standards are written down and used to govern member behaviors (Wagner, 2010, p. 247). According to this needs of an organization, there exist specific types of structures with different configurations of departmentalization and centralization.

The first organizational structure is the prebureaucratic structure which defines itself from a lack of standardization and is used in small-sized companies and organizations. For example there is the simple undifferentiated structure, where mutual adjustment is the only form of co-ordination: Interaction between the co- workers and no forms of official hierarchy of authority are the main evidences for this structure, which is easy to sustain and initiate.

The second type of prebureaucratic structure is the simple differentiated structure, where direct supervision through an hierarchical authority like an shop owner replaces the hierarchy-less communication-based co-ordination of the undifferentiated structure (Wagner, 2010, p. 248).

Both of this prebureaucratic structures occur mostly in small-sized organizations like restaurants or start-ups which f.e. are runned by a group friends.

With increasing requirements for the coordination of complicated tasks, bureaucratic structures introduce standardization into the organizational structure to fulfill its rising needs and puts the mutual adjustment and direct supervision into second place.

The functional structure is „a form of bureaucratic structure adopted by organizations that are larger than 50 or so members whose activities can be coordinated via a simple differentiated structure, yet not so largethat they do business in several different locations or serve widely differing groups of clientele (Wagner, 2010, p. 249).

Three key attributes are shaping the functional structure: As first, coordination by standardization. Second, the structure is adjusted to the functional departmentalization of the organization, what means that working groups inside the company are pooled together into departments which are matching up to the work this groups are performing, like marketing or accounting. Third, the functional structure is centralized and important decisions and organization objectives are decided by one person or one group of managers. In a functional organization the different departments are led by a vice president who has full responsibility and authority on his subordinates (Wagner, 2010, p. 247- 249).

As second type of bureaucratic structure, the divisional structure puts more focus on the standardization of behaviors, outputs and skills while it is more decentralized than the functional structure: „Decision making is pushed downward by one or two hierarchical layers, so a company's vice presidents and sometimes their immediate subordinates share in the process of digesting information and making key decisions." (Wagner, 2010, p. 251). In dissociation from the functional structure, the divisional organization is organized in clusters, according to similarities in products, geographic position, or clients – and therefore the divisional structure can react very flexible to changing environments like new product trends, political country crisis, or client problems. But although they must obey the organization's objectives and goals. The inside structure of the different clusters is mostly organized as a functional structure (Wagner, 2010, p. 251).

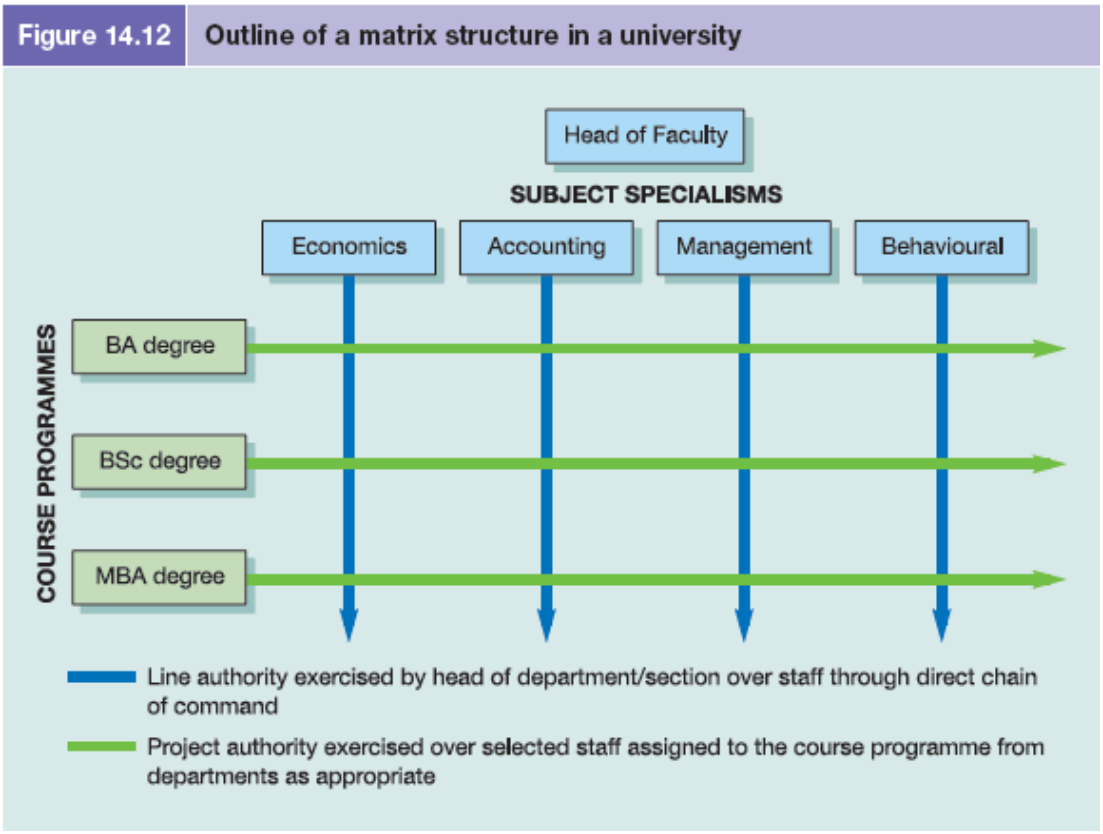
Matrix structure is the third form of bureaucratic structures. The organization which is using the matrix structure has the same demands like the companies using divisional structure: The integrating of work activities related to a big product variety, different working locations and customer segments – but with the need for a lot more flexibility. The matrix structure tries to reach this goal through „reintegrating functional specialists across different product, location, or customer lines" (Wagner, 2010, p. 253).

The matrix organization is combining functional departments as a base for specialized activities and a permanent location for the staff members, and integrates the different functional departments and their various activities on a project team, a product and so on. The matrix structure consists of a „two-way flow of authority and responsibility" (Mullins, 2010, p. 570), which means that within the departments authority and responsibility flow vertically, but the authority and responsibility of the project managers flow horizontally. Wagner and Hollenbeck points out what this exactly means?

„Mutual adjustment is the primary means of coordination within the upper layers of a matrix structure, and decision making is decentralized among matrix managers. Both of these characteristics enable top managers to reconfigure relationships among the cells in the matrix, promoting extreme flexibility. Because of their dual responsibilities, each matrix cell has two bosses: a functional boss and a divisional boss" (Wagner, 2010, p. 253).

To make this more concrete, the following image shows an example of a matrix structure within an university, where there are different faculties and different course programmes and different lines of authority emerging vertically and horizontally.

Figure 2.2: Matrix structure



Another structure is the so called multiunit structure, which emerges when divisions in divisional structures are allowed to act autonomous, and are like self-managing units inside the organization. This kind of structure is extremely decentralized and the unit managers can define their own purpose and mission while at the same time the routine activities are highly standardized in matters of skills or norms of control. This kind of structure can often be found in extremely large or complex organizations (Wagner, 2010, p. 255).

As an outcome to the demands of the modern business world, post-bureauctaric structures of organization has come out to fulfill the needs of more flexibility in extreme large companies: the modular structure and the virtual structure.

In the modular structure, a „collection autonomous modules or cells are interconnected by a computerized intranet“ (Wagner, 2010, p. 257). The internal work activity in such organizations is organized by self-managing teams which are grouped according to process, for supervisory duties and the use of mutual adjustments. The organization's intranet ties this different teams horizontally together for interdependent efforts, and vertically it provides information flows to ensure the collaboration between the modules. Coordination, hierarchy and centralization are also provided through the mediated computer networks.

As next structure of the post-bureaucratic ones, the virtual structure can be seen as a structure, which contains several small organizations acting as one large organizations while they are retaining „extreme flexibility and significant efficiency“ (Wagner, 2010, p. 257). This type of structure usually occurs when a company made alliances with some other companies to gain advantage of a business opportunity. So the virtual structure can be seen as a temporary collection of different organizations.

But while all this named formal structures are a network of interdependencies among the organizations members and their tasks and fulfill their role to maintain basic coordination mechanisms (mutual

adjustment, direct supervision, standardization, hierarchy, authority) to coordinate people and groups, there is one structure acting under the surface of the formal organization and its linkages: the so-called „informal organization".

In the next point of this part of work will try to show what does that mean exactly.

2.6 INTERRELATIONSHIP BETWEEN FORMAL AND INFORMAL ORGANIZATION

The organizational structure can be seen that it consists of three factors: the overall structure of the organization, the roles the members are linked to within the organization, and the processes which are happening within the organization. The management is defining this factors formally, while the employees perceiving and exercising it.

Although the organization is formally established and rationally designed, it depends on the characteristics of the subordinates how they will follow the official blueprint of the management and execute it (Östergren, 2010, p. 6).

As Wagner and Hollenbeck describe it, „every formal organization of prescribed jobs and structural relationships includes an informal organization characterized by unofficial rules, procedures, and interconnections" (Wagner, 2010, p. 283). The informal organization shows up when the subordinates get their work done beside the official procedure, perceive spontaneous, and change routines unauthorized.

The informal organization roots mainly from the interaction between the employees working in the organization. According to Mullins, „their psychological and social needs, and the development of groups with their own relationships and norms of behavior, irrespective of those defined within the formal structure" (Mullins, 2010, p. 94) are the main factors for the rise of an informal organization within a company.

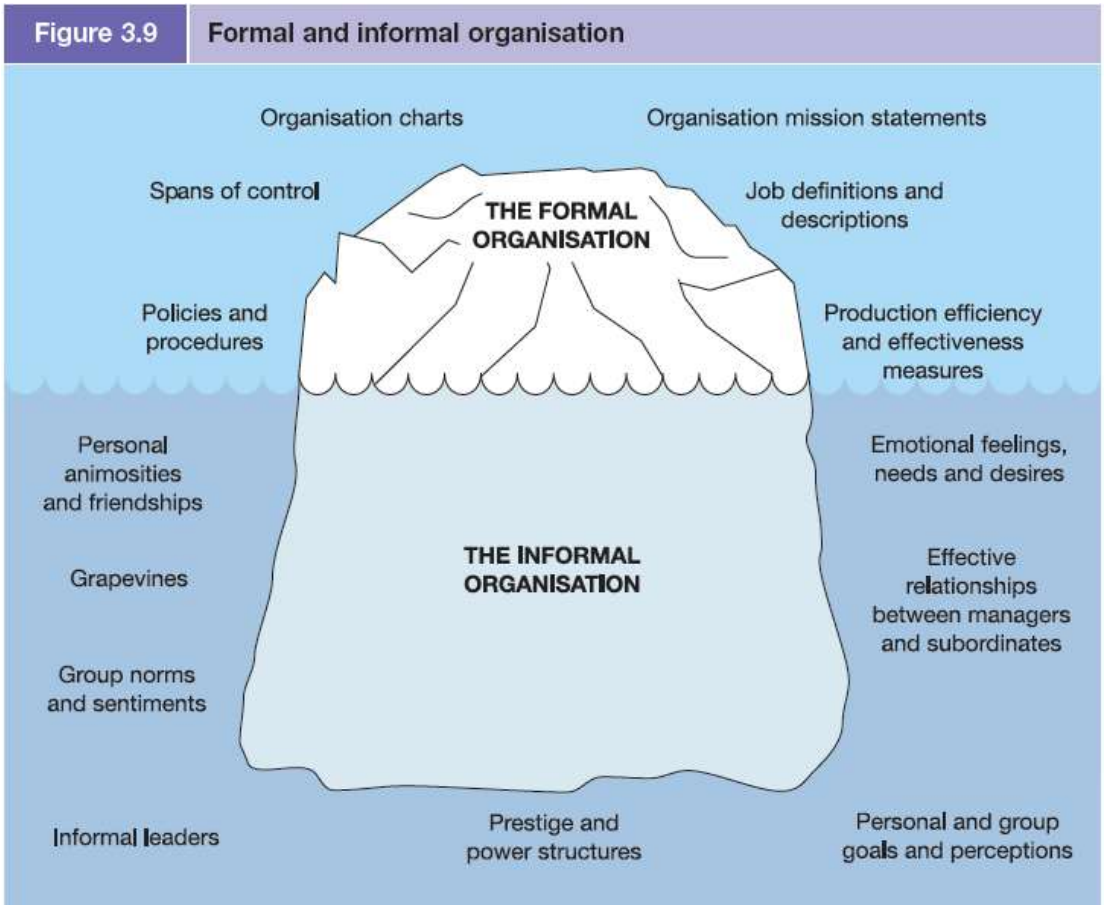
As Östergren points out: „The actual organization is construed by individuals and referred to as the informal organization. In every formal organization, there will be informal organizations, regardless of time and effort spent on rationally designing the organization, its members will always behave differently" (Östergren, 2010, p. 6)

To give a better oversight over the relationship between formal and informal organization, the picture 2.3 points out, what can be seen in an organization (the formal structure) and what relations and structures are hidden inside (the informal structure).

2.7 THE INFORMAL ORGANIZATION: ADVANTAGES

There are three basic assumptions concerning the informal organization: First, it is flexible and loosely structured. Second, relationships may be left undefined and third, the membership in informal structures is spontaneous with varying degrees of involvement. Therefore, this mentioned group relationships and norms of behavior exist outside the formal structure of the organization (Mullins, 2010, p. 94).

Figure 2.3: Formal and informal organization



Source: Mullins, 2010, p. 94.

This assumptions of the informal organization are deeply connected with the culture, which is, as Wagner and Hollenbeck point out, „an informal, shared way of perceiving life and membership in the organization that binds members together and influences what they think about themselves and their work“ (Wagner, 2010, p. 283). This „way of life“ is passed from one employee to another under the surface of the formal organizational structure and serves a number of important functions inside an organization. Following, an oversight over the advantages.

According to Keith Davis, the most beneficial effect is that they „blend with formal systems to make a workable system for getting the work done“ (Davis, 1962, p. 244). Because of the inflexibility of formal plans and policies not every problem in a dynamic situation can be solved. Informal relations can be more flexible and spontaneous. These relations would preserve the organizations from self-destruction because of the literal obedience to formal policies, regulations and procedures. The informal structure can handle more efficient. Also informal structures can take over when the formal way takes too long, is inappropriate, and can defend harm from the organization through flexibility when unusual or unforeseen situations occur (Mullins, 2010, p. 95).

Another benefit of the informal organization is that it can help the formal manager with his workload. When the formal manager accept that there are informal routines and structures, the employees will respond more to his ideas, are more motivated to work efficiently, and „proceed with their assigned tasks without bothering their manager 'just to be sure'“ (Davis, 1962, p. 245). The informal organization also enables the manager to accept and introduce a higher degree of delegation and decentralization within his area of influence because he knows, that his subordinates will cooperate.

As Mullins point out, the informal organization generally:

“can provide members with greater opportunity to use their initiative and creativity in both personal and organizational development. Covert and informal activities may also have economic consequences for the organization in terms of added values and/or costs that escape ordinary accounting procedures“ (Mullins, 2010, p. 96).

The informal structure also helps the employee to fulfill his needs in a sense of personal identity and a feeling of belonging to a group and therefore leads to satisfaction.

Furthermore, it increases the ways of communication inside an organization through informal channels and important informations are communicated more quickly through the company than possible in a formal way. Through social interaction, variety routine and informal way of doing the job it also helps to increase the motivation of the employees. For example, when an employee is frustrated and there is no response of the formal leader, an informal leader with leadership abilities can help him.

One of the biggest advantages of the informal way is, that it can solve or uncover the failures of a formal organizational structure. For example, to discover missing areas of responsibility, outdated systems and procedures. Also informal structures can be sort of „checks and balances“ for the manager, because there are informal authorities. According to Keith Davis, the manager „will introduce changes into his group only after careful planning because he knows that the informal group could provide the impetus to undermine an ill-conceived and shaky project“ (Davis, 1962, p. 245).

2.8 THE INFORMAL ORGANIZATION: DISADVANTAGES

Kathryn Hegar shows in her book „Modern Human Relations at Work“ the four most common disadvantages associated with an informal organization: Resistance to change, goal conflict, conformity problems, and rumors.

Because of informal structures within an organization it can be very hard to change the „status quo“. The informal organization ignore „systematically or only partially carries out directives related to such changes as new work procedures or rules“ (Hegar, 2011, p. 193), because their subordinates want to maintain things as they were in the past and don't want their work environment to be disrupted. Examples for changes which will be fought against can be technical innovations because of the potentiality that organization members will be fired, or increased quotas.

Another disadvantage of informal organization are goal conflicts, when f.e. the formal quota is higher than the quota the informal structure wants to achieve. An employee cannot be loyal to both. He finds himself in a goal conflict, because the subordinate has to play two different roles: the formal role and the informal role. If he or she only play the formal role, he or she will have problems with the informal structures who are surrounding him or her, and vice versa.

The next disadvantage can be seen as part of the goal conflict - the problem of conformity: „Group norms and sanctions are used in persuading members to accept informal goals. Sometimes, these norms and sanctions are so strong that individuals feel compelled to go along with the group despite their own inclinations“ (Hegar,
2011, p. 194). Even if the members don't want to conform to the informal rules, this norms can be so strong that the member is unaware that he or she is controlled by them.

As last disadvantage, Hegar discovers rumors as „most undesirable feature“ (Hegar, 2011, p. 194) of informal structures. The biggest problem is, that many members of the organization believe that rumors are true. But in demarcation to the grapevine, rumors can be completely baseless and false, and therefore can cause a lot of trouble in the organization providing the members with wrong

informations. Selective filtering and elaboration are the maintain of rumors, and the member who is spreading the rumor adds details and rearrange the content according to his own point of view.

As shown in the last two chapters, the informal organization can be a worthwhile to an organization, but on the other hand it can be a detriment for the managers.

2.9 THE RELATIONSHIP OF MANAGEMENT TO INFORMAL ORGANIZATION

The main goal of the management should be to unify the formal and informal organizational goals. Therefore it has to accept that both structures can coexist within the organization. Harris and Hartman describe five conditions, under which the two systems can be pulled together more favorably.

First the management must ensure that the employees can trust them, and that it considers their needs and desires before decisions are made. To build up such an atmosphere of trust, the manager must be discerned to „be fair" considerate, and favorably orientated toward the worker (Harris, 2001, p. 111).

As second condition, the formal objectives must be known and accepted by the subordinates. The management must communicate the formal organizational goals in an understandable way and with simplified terminology. If the goals are consistent with the values of the informal organization, the employees will support it. Otherwise the management must implement the acceptance of reasonable goals into the informal structure.

Third, the management has to ensure participation in the determination of formal objectives, goals, and policies. It must allow some kind of representation, so the workers will accept the management's decisions and execute them because of increasing confidence and support. Also it can be worthwhile to identify and utilize the informal leaders, and maintain good rapport with them. This informal leader usual „feel a great amount of responsibility for the well-being of their peers and perform conscientiously for them" (Harris, 2001, p. 112). This can be beneficial both for the managers as well for the group.

Fourth, the workers must be informed regularly with facts and policies which could concerning for them. It is very important to maintain these informations thought official channels so rumors and the grapevine are kept low and become unnecessary.

Last, the management must try to listen to the feelings and sentiments of the subordinates. It can be a good source of information and can help the management to integrate the informal structures to the formal organization, and it can better figure out the reasons for the formation of informal structures and try to solve them.

2.10 SUMMARY

Taken into account, this discussion shows, which relationships and structures are forming the formal organization, how the relationship between the formal and informal organization can be defined and what are the advantages and disadvantages of the informal structures for an organization. Last, it shows ways for the management how it can deal properly with the informal organizations within, f.e., the company and maybe can take advantage of it and influence the informal structure.

The management must always be aware of the informal power structures in the organization, because it can help or disturb the company's daily work, it can have a great influence positively and negatively and can be the key to success or the reason for the failing of an organization.

Especially nowadays, in fast-changing environments, with quickly upcoming technical innovations and the growing demands and self-awareness of the so-called knowledge workers and specialists, the main focus of the management must be to loose these informal structures out of sight, because it is elementary factor for the organizational behavior.

Review Questions

1. According to Peter Drucker, what is the „key factor“ for the future success of an organization?
2. What are the three subfields of organizational behavior?
3. What are the five main components of a formal organization, according to Laurie Mullins?
4. What is the difference between a line and a functional relationship?
5. What are the forms which are summarized under the term „bureaucratic structures“?
6. Name at least two advantages and disadvantages which occur from the informal organization!
7. What are the five conditions a manager must ensure to handle the informal structures in the organization?

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3 MICRO ORGANIZATIONAL BEHAVIOR

3.1 THE FOUNDATIONS OF MICRO ORGANIZATIONAL BEHVIOR

One of the fields of organizational behavior study is micro organizational level. Micro organizational behavior deals with the framework at individual level of behavior. To understand the behavior of individuals is important not only for understanding the group behavior, but also for comprehension of individual's personality, strong and weak points, the needs, attitudes, perception, interests, motivation, way of learning, etc. These factors contribute to higher efficiency of leadership and satisfaction of both organization and workers at the same time.

To understand the principals of organizational behavior, firstly it should be highlighted the importance of the basic psychological contributions in terms of defining the *values*, *attitudes*, *perception* and *learning* and their connection to work.

Values can be defined as personal belief in what is wrong and bad, the way of executing work as well as the expectations from work. Through the values, people are trying to achieve their expectations and desires during the working process. Generally, two groups of work values are given-intrinsic and extrinsic. Intrinsic work values are related to the work itself when workers seek for challenging jobs provided by own responsibility and usage of own skills in order to personal growth whereas workers with extrinsic work values focus rather on the consequences of the work such as earning money (George, Jennifer M., Jones Gareth R. 1996, p. 65).

Job satisfaction, job involvement and organizational commitment are considered to be the most important indicators when talking about personal attitudes. It expresses the feelings about the job, whether the workers are satisfied or not with their job. Job satisfaction is determined by the supportive working environment, good relations among colleagues and appreciation of work results. In line with the job satisfaction, the need for consistency in workplace appears. It was proved that workers tend to minimize the differences among individuals attitudes in order to avoid discomfort at work. The element that can reduce the dissonance among workers is for example the form of reward for accomplishment of given tasks by whole group (Robbins, Stephen P., 2005, p. 24).

The way how the individuals see reality is called perception. It is the expression of the impression taken from observed objects. Everybody can perceive same things differently. The explanations for this fact is in the different perceiver, in target being observed as well as situation in which the object is perceived. People in workplace usually make judgments about the others based on their own assumptions about the internal state of perceived objects. However, such an assumptions can be often incorrect because people tend to fail when making judgments without substantial evidence (Robbins, Stephen P., 2005, p. 29).

For explaining, predicting or controlling the organizational behavior, managers should know how the workers learn things. Learning is continuous process defined as "the result of experience". If workers perform good job and are rewarded for that, they learn to repeat this performance again. It is up to the managers how they manage the way of learning in workplace. Either they can let workers to learn freely during working process or they can control it by leaving them to learn accordingly managers' behavior (Robbins, Stephen P., 2005, p. 33).

3.1.1 INDIVIDUAL'S DIVERSITY

Due to the fact that human personality offers various differences in characters, it is important for managers to be aware of this diversity. Lack of knowledge about individual differences can lead to *stereotyping* defined as "possessing certain individual characteristics based on their sex or membership in a racial, ethnic, or age group". In general, managers who do not pay attention to individual differences among the employees, have troubles to manage and create efficient work environment leading to misunderstandings within these groups. The next mistake can be considered to be so called *mirror image fallacy* explaining the situation when "one presumes that all other people are just alike" (Wagner III, John A., Hollenbeck, John R., 2010, p. 51).

The first role of good managers is to realize that everybody within a group has to be treated individually based on the diversity in physical and cognitive ability as well as in personality, and demography. The second role is to profit from these diversities in term of bringing the competitive advantage, higher control over organizational behavior and working performance within organization. Two main diversities of individuals are recognized- ability and personality diversity.

Diversity in Cognitive Ability

Ability determines "the level of performance a worker can achieve, and because the effectiveness of an organization as a whole depends on the performance levels of all individual workers, it represents an important determinant of organizational performance."(George, Jennifer M., Jones Gareth R. 1996, p. 51.

Psychologists defined various types of cognitive abilities and sorted them in a hierarchy. On the top, as the most general dimension, is placed *general cognitive ability* (intelligence). Below the general cognitive ability, there appear the other dimensions of mental functioning such as *verbal* ability, *numerical* and *reasoning ability* as well as *emotional* and *cultural intelligence*. Verbal ability describes the extent to which person is able to understand and use written and spoken language. Numerical ability deals with the numbers and arithmetical issues such as addition, subtraction, multiplication, division, etc. Reasoning ability shows the ability to come up with solution of different kinds of problems. Professions such as teachers, administrative workers, accountants, lawyers should be capable of all these abilities. The ability to generate, recognize, express and evaluate own or others' emotions with aim to cope with social demands is represented by emotional ability (Ibid.). Due to the fact that extent of emotional ability is not sufficient for success in modern organizations, new type of intelligence was defined based on culture. Cultural intelligence was defines as ability to observe and act in new environment and the ability to accommodate new situations followed by changes in behavior and habits. This kind of ability was shown as very important for people working for some international company in different country (Wagner III, John A., Hollenbeck, John R., 2010, p. 47).

Diversity in Physical Ability

When searching for the person with desired characteristics and abilities for selected job, managers often used to use the tests based mostly on cognitive abilities such as intelligence, communication skills and other. However, nowadays, the importance of selection based on physical ability has become significantly important as well. The examination is demonstrated within three dimensions: muscular strength, endurance and movement quality. Testing within these dimensions can avoid the fact that for physically demanded job are more suitable men than women based on weight and height measurements. For example, the women can show higher movement quality by better flexibility and

maintaining body in balance or faster movements of the fingers, arms resulted in better coordination and therefore can be found to be more suitable for selected job (Wagner III, John A., Hollenbeck, John R., 2010, p. 45).

By gathering these information, managers process of employees selection can be much more effective and also it prevents to causing injures in workplace.

Diversity in Personality

J. George defined personality as "the pattern of relatively enduring ways in which person feels, thinks, and behaves determined by both biological heritage and situational factors." Personality determines the way how people think, feel, behave and therefore it is helpful to distinguish among different types of personality. Human trait is considered to be the most suitable determinant to explain the personality. It shows the specific component of personality describing particular tendencies the person feels and acts in some ways. Due to the existence of many different types of human traits, psychologists agreed to conduct the classification of personality traits into five groups: extroversion, neuroticism, agreeableness, conscientiousness, and openness to experience, called the "Big Five" model. This model is usable regardless of the sex, age, race, religion or country of origin and evaluating and organizing these traits help us to show the relation to job performance . (George, Jennifer M., Jones, Gareth, R. 1996, p. 40).

The personalities of workers influence factors the job satisfaction, motivation, performance, etc. For managers, it is essential to understand the individual personalities to find out why the workers do their job the way they do and should not try to change these personalities and learn how to cope with them to create comfortable environment in workplace.

3.1.2 DECISION MAKING AND CREATIVITY

Decision making is the result of perception process. After collection of all information about object and following evaluation, the decision can be made. This decision is then further processed to drive the action into desired direction. Two general models are constructed for decision making process- *the rational model* and *the administrative model*. The rational decision making model is closely connected with classic theories of economic behavior. Apart from rational model, the administrative model depicts more realistic picture of the way how managers make decisions. It shows what managers actually do. It means that people look for solution which satisfy them rather than optimize. In this case, intuition and prejudges are present. For managers, it is crucial to adjust their decision making firstly to the culture he/she operate, secondly to reduce judgment errors by decision modification, then to combine rational and intuitive decision making and lastly try to enhance creativity by coming up with new ways of problem solving job (Wagner III, John A., Hollenbeck, John R., 2010, p. 65).

Creativity is essential part when making decisions. Both model of decision making require certain level of creativity which lead to new possible ways how to solve problem and become effective. Due to the fact that higher creativity occurs in workplace with higher diversity of individuals, organizations should promote and enhance such a type of environment, because people with different skills, perception and capabilities are more likely to be generating new ideas than those with the same capabilities and experiences (Wagner III, John A., Hollenbeck, John R., 2010, p. 65).

3.1.3 WORK MOTIVATION AND PERFORMANCE

The motivation can be interpreted as the willingness of individuals to do some tasks with the aim to satisfy the needs. The more motivated workers are, the sooner job will be executed with greater energy. The higher motivation programs managers can provide, the better jobs effectiveness they can expect. There exists many classic and modern motivation theories, but more essential in this case is to explain the extent to which these theories can be applied. When motivating people, we have to take into consideration the cultural differences, because the way of how to motivate Americans can be totally different as the way of motivation of Asian cultures, because the order of importance of individual motivational factors differ (Robbins, Stephen P., 2005, p. 61).

But generally, there are three main outcomes of all motivation theories. The first, desire to perform which demonstrate that the desire to perform well is based on the reward related with high performance. The second, effort, explains that people want to perform the best way they can if they believe in it. The third represents performance. High performance can be achieved only if all knowledge and skills are applied with highest possible effort (Wagner III, John A., Hollenbeck, John R., 2010, p. 103).

3.1.4 CONTRIBUTING DISCIPLINES TO MICRO ORGANIZATIONAL BEHAVIOR

For better understanding of the content and aim of OB in theory and also in managerial practice, it is essential to familiarize its origins and history. According to some authors, OB formed as discipline in the second half of 1940's. However, the concept of organization in the workplace, people's motivation and measurement of working productivity had been already the object of interest in classical theory of management represented by F.W. Taylor and M. Weber with their theories of human resource management, total quality management and contingency approach to management (Rudy, Jan., Luptakova, Stanislava., 2001, p. 8).

Various kinds of psychologies has contributed to the development for micro organizational behavior, for example: theory of learning, theory of motivation, perception, stress, theory of personality, human development, employee selection, workplace attitudes and performance assessment. Many of these issues have been treated in the frame of organizational theory, which is a special subject on our faculty. Because of that fact we will in further discussion explain and describe only the issues which are not included in the framework of the subject of organizational theory.

3.2 PERSONNEL SELECTION

3.2.1 INTRODUCTION

Business success depends on the number of staff in an organization. It has to be optimal, cost-based, in order to meet the production tasks with optimal wage costs. However, not only the number of employees can determine business success. Their qualification level, attitude to work, skills and many other factors lead to success. As a result, it is very important to pay lots of attention to personnel selection. Every job must take the appropriate skilled staff. The selection of the staff requires special knowledge and techniques. In addition, a person who selects staff should be well familiar with the specifics of the work and understand what personal qualities are needed to perform duties. There are created various methods of personnel selection to choose the best staff that could perform duties and lead business to success.

3.2.2 WHAT IS PERSONNEL SELECTION?

Personnel selection is the process of hiring a person for a certain job, choosing the most appropriate candidate for a particular job. It also includes the selection of potential candidates and attraction them through advertisements, agencies and etc. Moreover, it includes making the list of candidates with appropriate education and professional experience.

The selection process is mutual: the organization decides to offer work or not and how to do it, and candidates for the employees decide whether or not the company meets their needs and goals. The organization uses a number of ways to check whether the candidate is the most suitable. However, when the labor market is in particular tense and some of candidates are claiming in every post, the selection process may be unilateral. When there is the lack of professional staff or the candidate is a very high level manager or professional, the organization leader will present a very positive proposal and take a decision very soon in order not to loose a candidate (Stoner, Freeman, Gilbert, 2001).

Personnel selection (recruitment) is a process to search and attract to the organization potential candidates (Personalo Valdymas, Bakanauskienė I., 2002).

Recruitment is the first step in the search for new employees covering analysis of vacancy, decision what methods will be sought for new employees and establishment contacts with candidates.

If a new post is created, a new employee will be needed. However, the majority of vacancies occur when workers leave their job or are transferred to other posts. In this case the vacancy may be filled by an employee from organization. Often the best candidates for vacancies are the source of the company's employees. That this search would be successful, managers need to use advertisements, personnel files and personal data on employees' skills (Dessler, 2001). The internal recruitment methods are the promotion position, the horizontal displacement, rotation, re-employment, or former employees' return
http://distance.ktu.lt/kursai/verslumas/personalo_motyvacija_II/114281.html).

External recruitment is mainly used only when the organization does not have a candidate. External sources of recruitment may be a local newspaper, magazines, radio and television, the internet, training, public employment, private employment agencies. External and internal sources of weaknesses and strengths of the analysis will help the organization make the right decision, looking for workers.

It is necessary to perform the analysis, before beginning the staff recruitment and selection.

3.2.3 PERSONNEL SELECTION CRITERIA

If the company is solid and has an attractive image because of good behavior with staff, there will be many participants in the selection. Then it is important to select the most suitable candidate of all those involved, because the results of organization will depend on the employee. If organization chooses incorrectly, the man will work ineffectively. Then the company will be forced to find another employee, but it is expensive, because of time delays and cost of another competition.

It is very important that the employee would be chosen in the light of the specific workplace requirements, that the recruitment become successful. There are no bad employees. There are only those who are working not their work. Humanistic concept of personnel management, which is based on this approach, argues that if the employee makes a mistake not maliciously, it is because the employer placed the employee to work incorrectly selecting him, an assessment of his ability, aspirations and personal qualities.

Managers should prepare for the interview of selection by defining the selection criteria and planning interview questions. Preparation for the selection begins when it is defined that a specific post requires the employee. Firstly, there should be identified what are the requirements for a wanted worker, what human qualities, experience or skills are necessary to carry out the work. These questions help to form the selection criteria for candidates. Selection criteria indicates what candidate's characteristics, skills must be verified through the selection. What experience or qualifications of a candidate are the most appropriate to the specific job. The selection criteria should be formulated so that, according to them there should be easy to predict the quality of the work of each candidate and identify the candidates whose results of the work will be the worst.

3.2.4 HOW TO FIND AN EMPLOYEE?

Every time a company needs to recruit new staff, it faces a dilemma - how and where to find the best. There are a lot of various ways to find staff. Companies are discovering more and more ways to find and attract new minds because of introducing advanced technologies and the competitive struggle of good professionals.

Each company can choose the most appropriate recruitment techniques, taking into account the situation of the company, the required employee training and many other factors. Seeking new employees are often used already established methods, which are not always effective.

What are the potential personnel search and selection methods? Different sources show different quantity of the selection methods, which can be used in finding new employees. There are the most known ways to select personnel:

1. Using internal company resources. This way creates opportunities for employees to enter senior positions. The company encourages employees to make progress in the company. Relying on an internal labor market tends to lead to the following benefits:

    - It improves the morale, commitment and job security of employees through higher job security and career opportunities.
    - It provides for more opportunity to asses the abilities of employees accurately given the accrued knowledge gathered over the employment relationship.
    - It is a cheaper way of resourcing labor than external recruitment and selection.
    - It concentrates external recruitment activities on single entry levels, allowing for more specialization of skill in the human resource management department.

- It affords more opportunity to control salary levels (because there is less need to accommodate external salaries).
- However, it can lead to the development of workforces ill-suited to current technological or market demands because old ways of doing things become perpetuated (European Human Resource Management in Transition, Pau, Sparrow and Jean-M, Hiltrop, 1994, p. 323).

2. The selection of using existing staff recommendations. Existing staff are concerned to recommend the best candidate, whereas the feeling responsibility for the future and do not want to ruin the employer's good name. Employees often know people who work in similar areas, or were working with them in previous companies and can recommend them.

3. Advertisements in newspapers and magazines. The employee search form is very popular and often the main. Advertisements in newspapers usually attract a large number of candidates, but very often many candidates do not meet the qualifications. In most European countries, such as France, Denmark, Belgium, Germany and Lithuania, advertisements comply with the spirit of race discrimination and sex equality legislation or civil code. In some countries advertisements cannot mention upper age limits, discriminating statements on the grounds of race, religion or sex.

4. Targeting schools and universities. The main advantage of the search method is that young and enthusiastic staff is being recruited, who tend to study and pursue careers. Negative side is that these people are without work experience. Training is sometimes necessary, which demands to invest money.

5. Employment agency services. The employee search method is applied when organization needs to search for various skilled staff and it has no time and particular staff to search for worker. If a company can not devote sufficient time to choose the ideal employee, it can ask a consultative recruitment agency to find a suitable employee. The biggest advantage of consulting firms is that they work with people whose main job is to find various professions, education, and qualified people and they can quickly, efficiently and using all possible methods to find right people. Undoubtedly such a search method is more expensive than others, but the savings in time and almost 100% guarantee that the worker will be found repurchases rather high cost of consulting services firms.

6. Participation in career days. Personnel specialists can meet with a number of candidates conduct interviews and invite most successful candidates to a company for more detailed interviews. The company may create qualified database of potential employees and, if necessary, to invite these people to work.

7. Online advertisements and databases. It is a very fast way to start the search of workers. Nowadays world is very innovative. As a result, more and more people are using internet to find jobs. It is the best way to do the preliminary selection of people according to their education.

This list of the search methods is not full. Nowadays more noticeable feature is that, in order to find good workers to job vacancies, employers must show more initiative and be more creative. In order to find suitable staff, the company should use all available staff search and selection methods and combine them together. The company is searching for a required employee using one source, may not find the right employee. In Aideen McGinnis review it is listed the most popular methods to find the staff:

- Advertising in local newspapers 16%
- Advertising in international magazines 20%
- Employment agencies 12%
- Colleges 8%
- Personal contacts 20%
- Promotion (internal search) 12%
- Other methods of 12%

As it can be seen from the data, employee's most popular search methods are personal contacts, employment agencies and advertisements in newspapers. On Career Journal website there is a study, which interviewed 566 executives and staff managers and 439 job seekers people (Personal Networking Is Key in Finding a Job or Job Candidate By Society for Human Resource Management, (http://www.careerjournal.com/hrcenter /articles/20010405-shrmpoll.html). They gave assessments of staff selection efficiency. As the most effective ways to search employees personnel managers mentioned personal contacts - 95%. Among the most popular ways to search staff has been named the Internet - 88%, ads in newspapers - 96% and staff recommendations - 91%.

3.2.5 METHODS OF SELECTION

Despite there being a diverse range of selection methods most European countries rely on only very traditional systems of selection. Selection methods are like some kind of predictors. Some of these predictors can be mixed and become individual predictors. Most of predictors have been available for the last twenty years, with the exception of situational interviews, accomplishment records and computer assisted testing. Also, in most countries the use of recruitment and selection methods varies markedly with the size of the organization. The high number of small organizations means that in practice recruitment and selection may be very informal affair (Paul Sparrow and Jean-M. Hiltrop, 1994, p. 304).
The main selection predictor's available (Robertson and Smith, Personnel Selection Methods, 1989):

1. **Interviews:**
   - Unstructured,
   - Structured,
   - Situational,
   - Behavioral description.

2. **Analytical tests:**
   - Cognitive ability (general or specific),
   - Perceptual-motor,
   - Personality,
   - Interests.

3. **Analogous or sample tests:**
   - Work sample,
   - Situational (in trays, role plays, simulations),
   - Trainability tests.

4. **Computer-assisted tests;**
5. **Repertory grids;**
6. **Biodata and accomplishment record;**
7. **Future autobiography;**
8. **References;**
9. **Graphology;**
10. **Astrology;**
11. **Self-assessment;**
12. **Supervisors/ peer assessment.**

3.2.6 CURRICULUM VITAE

At first glance we can notice that all employers want to get a description of life of candidate. This description is known as curriculum vitae. Curriculum Vitae are analysis of diplomas, certificates and recommendations. Applicants may make a written presentation of their vision (posts, concrete operational problems, etc.). There is a risk that the main attention will be not for professional competence and professional suitability of any applicant but to his or her ability to present achievements beautifully. A curriculum vita is often the first contact with a prospective employer - it must immediately interest the employer to invite a person for interview.

Each manager hopes to find a good specialist and therefore a small error in description of life may lead to elimination of the list of potential candidates. Employers usually read descriptions for a minute and if a person fails to create the required first impression, the availability of the work will be lost. The employer pays attention to clearly and logically presented information, qualifications, skills and competencies.

3.2.7 REFERENCES

Most researches of recommendations, also known as references, show a high degree of subjectivity. “Good” opinions are more common than “bad”. It is obvious that recommendation will never be the main selection tool. However, considering the need of recommendations, is valid the same sampling method, which says that there should be combined some methods. The recommendations complement the information obtained by other methods. The recommendation provides information on the behavior of the typical candidate, less affordable in other ways, but the usual former employers, colleagues or teachers. Frequently they are used for two purposes: to verify the information given by a candidate, or to predict the success of the work. Others verify recommendations to get negative information about the candidate. Although, the recommendations are generally "good" employers reluctant to risk its reputation and to hide from very negative candidate behavior, for example: theft, absenteeism and so on.

It is valuable because it can provide additional information that could not be provided by the other channels. It may be the guidelines to know employee better.

3.2.8 INTERVIEWS

Employer, who decided to develop an employee selection, a key tool in assessing candidate suitability is the interview with the candidate. The preparation of the interview is very important. It is very difficult to prepare questions very well. As a result, this is probably one of the most difficult steps in the preparation of the selection. In addition, it needs lots of time. Some employers do not pay sufficient attention to the preparation of selection because they think that they immediately understand if a person is suitable for the company as an employee or not. However, to know the candidate is more complicated than it seems.

Interview is collection of information via the oral survey. Interview examines whether the candidate meets the selection criteria. In addition, certain personality characteristics are easier to identify because of interview (for example, whether the person communicates easily). It is therefore very important to know how to keep the interview so that managers could objectively and accurately assess a candidate for the office.

Types of Interviews

1. Unstructured Interview. Involves a procedure where different questions may be asked of different applicants.
2. Situational Interview. Candidates are interviewed about what actions they would take in various job-related situations. The job-related situations are usually identified using the critical incidents job analysis technique. The interviews are then scored using a scoring guide constructed by job experts.
3. Behavior Description Interviews. Candidates are asked what actions they have taken in prior job situations that are similar to situations they may encounter on the job. The interviews are then scored using a scoring guide constructed by job experts.
4. Comprehensive Structured Interviews. Candidates are asked questions pertaining to how they would handle job-related situations, job knowledge, worker requirements, and how the candidate would perform various job simulations. Interviews tapping job knowledge offer a way to assess a candidate's current level of knowledge related to relevant implicit dimensions of job performance (i.e., "tacit knowledge" or "practical intelligence" related to a specific job position)
5. Structured Behavioral Interview. This technique involves asking all interviewees standardized questions about how they handled past situations that were similar to situations they may encounter on the job. The interviewer may also ask discretionary probing questions for details of the situations, the interviewee's behavior in the situation and the outcome. The interviewee's responses are then scored with behaviorally anchored rating scales.
6. Oral Interview Boards. This technique entails the job candidate giving oral responses to job-related questions asked by a panel of interviewers. Each member of the panel then rates each interviewee on such dimensions as work history, motivation, creative thinking, and presentation. The scoring procedure for oral interview boards has typically been subjective; thus, it would be subject to personal biases of those individuals sitting on the board. This technique may not be feasible for jobs in which there are a large number of applicants that must be interviewed.

In most cases, interviewers ask about the candidate:

- Education, vocational training;
- Work experience;
- the reasons of output from the former employer;
- Career aspirations, motivation;
- Personality characteristics;
- Communication and cooperation skills.

Advantages:

- useful for determining if the applicant has requisite communicative or social skills which may be necessary for the job
- interviewer can obtain supplementary information
- used to appraise candidates' verbal fluency
- can assess the applicant's job knowledge
- can be used for selection among equally qualified applicants
- enables the supervisor and/or co-workers to determine if there is compatibility between the applicant and the employees
- allows the applicant to ask questions that may reveal additional information useful for making a selection decision
- the interview may be modified as needed to gather important information

Disadvantages:

- subjective evaluations are made
- decisions tend to be made within the first few minutes of the interview with the remainder of the interview used to validate or justify the original decision
- interviewers form stereotypes concerning the characteristics required for success on the job
- research has shown disproportionate rates of selection between minority and non-minority members using interviews
- negative information seems to be given more weight
- not much evidence of validity of the selection procedure
- not as reliable as tests

Tests

Tests provide information about personality, intelligence, interpersonal relations and personal attitudes. Tests focus on details and on the graphic characteristics.
Some of the tests are common and are used often.

Biographical questionnaires. It is provided (open, closed, or mixed type) a questionnaire about the most important personal and professional biographies facts in particular aspects. It creates a relatively reliable, fast and low cost possibility to compare many candidates. It is very suitable for the initial selection of candidates. Biographical questionnaire allows eliminating applicants who are unable to fill posts on the desired characteristics of biographies. However, part of people tend to say lies to pass the competition. There is a high subjective risk (even in the case when the target replies sincerely).

Personality tests. These tests are composed of questionnaire which content-system claims on the personality and the way of behavior. The investigation should say how much those claims are suitable or unsuitable for him or her personally. Personality questionnaires investigate motivation, extroversion, and introversion, stress, aggression, social skills and interaction and many other features. Many occupations and activities require a certain combination of personality characteristics. Personality tests open up the possibility of measuring these properties.

Advantages:

- can result in lower turnover due if applicants are selected for traits that are highly correlated with employees who have high longevity within the organization
- can reveal more information about applicant's abilities and interests
- can identify interpersonal traits that may be needed for certain jobs

Disadvantages:

- difficult to measure personality traits that may not be well defined
- applicant's training and experience may have greater impact on job performance than applicant's personality
- responses by applicant may be altered by applicant's desire to respond in a way they feel would result in their selection
- lack of diversity if all selected applicants have same personality traits
- cost may be prohibitive for both the test and interpretation of results
- lack of evidence to support validity of use of personality tests

Cognitive ability tests. Cognitive ability tests are used to measure an applicant’s intellectual abilities, e.g. problem solving, critical thinking, verbal and numerical reasoning, etc. In most cases, these tests

are standardized pen-and-paper tests (e.g. Myers Briggs tests) developed by psychologists and are scored and compared against 'normal groups' that have been established for particular groups.
Caution should be exercised when considering the use of such tests, as they may contain inherent biases, especially in terms of racial, cultural, gender, socio-economic and other forms of bias. They should be developed, administered and scored only by accredited professionals.

Advantages:

- typically are reliable and valid, especially with respect to verbal reasoning and numerical tests
- there is generally a positive relationship between the test's validity and increasing job complexity
- typically, combinations of aptitude tests have higher validities than individual tests
- the ability to be administered to large groups means that many applicants can be tested simultaneously
- Test scoring can be completed by computer scanning equipment.

Disadvantages:

- differences between genders or diversity groups in abilities (e.g., knowledge of mathematics) may negatively impact on the scores of such groups.
- non-minorities typically score one standard deviation above minorities which may result in adverse impact depending on how the scores are used in the selection process.

Work sample tests. Work sample tests are used to test applicants with tasks similar to those involved in the actual job. Examples include (but are not limited to) keyboard tests, computer application tests, data tests, non-standard letter/memo/report writing, verbal/written presentations and on-the-job simulations. Work sample tests are based on the premise that the best predictor of future behavior is observed behavior under similar situations.

Advantages:

- high reliability and realism to the actual job
- high content validity since the work samples are a sample of the actual work performed on the job
- typically more favorably viewed by examinees than other types of assessment methods because of their close similarity to the actual job
- difficult for applicants to mislead or falsify competency, which enhances the validity between the test score and performance on the job
- work sample tests use equipment that is identical or similar to the actual equipment used on the job.

Disadvantages:

- may be costly to administer and replicate in a test environment
- less effective at predicting performance on jobs where tasks typically take days or weeks to complete
- less effective at measuring an applicant's aptitudes, thus restricting the test to measuring ability to perform the work sample and not more difficult tasks that may be encountered on the job

3.2.9 EXERCISE: SHOULD TENNECO USE THE WONDERLIC TEST?

Scenario

Tenneco Corporation is considering the use of the Wonderlic Personnel Test as part of its selection process for assistant store managers. Each assistant store manager has management responsibilities for one convenience store. Responsibilities include complete supervision of at least 15 employees, including hiring, firing, and scheduling; budgetary matters; inventory; vendor deliveries; and customer complaints and inquiries. Because Tenneco hopes to maintain a promotion-from-within policy, it administered the Wonderlic to 300 store employees. The average scores of minorities and whites who took the 100-point exam were as follows: blacks, 63; Hispanics, 70; and whites, 75 (the standard deviation was 10). The 5-week training program at Tenneco headquarters has room for only managerial trainees. The training is required for promotion to assistant store manager. As an HRM personnel specialist, they have been asked to recommend a specific policy for the use of the Wonderlic.

1. Assuming that only 20 candidates are to be selected for the training program and that the Wonderlic Personnel Test is to be used as the sole basis for entry into the training is adverse impact against minorities likely?

2. It is known that minorities score lower than whites on cognitive ability tests. Wonderlic Personnel Test is one of such tests. Tests results in Tenneco showed the tendency that whites do much more better than blacks. We could try to search for such reasons in differences of minorities or in the test. However, the problem and possible discrimination can be in choosing the proportion of black, Hispanic and white people who will enter training.

3. Given your response to question 1, what are the policy options to this situation? What policy do you recommend that Tenneco adopt for the use of the Wonderlic?

In the order to maximize the utility of a test, the most effective way to use a valid cognitive ability test would be to select top-down, using the raw scores. If in this case organization needs to choose 20 people, there should be chosen 20 with the best scores.

Another possibility is to apply more than one personnel selection types. It will demand more time and more money, but on another hand the appropriate type of selection can solve problems that can accrue because of discrimination. If the organization combines two types of personnel selection, the result will be more accurate.

3.2.10 SUMMARY

It is very important that the employee would be chosen in the light of the specific workplace requirements. Only in this case selection will be successful. There are no bad employees. There are only employees performing work according not to their abilities. Preparation for searching a worker is one of the most important steps in selection process. A management has to define selection criteria and plan all questions. The selection criteria should be formulated so that, according to them it should be easy to predict the quality of the work of each candidate.

Discussion Questions

- Which method of selection to choose?
- Is it better to fill the position by a local or external national?
- Who should perform personnel selection in organization?
- How to choose the best personnel?

- Is there a narrow line between testing and violation of human rights?

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3.3 PERSONALITY AND INDIVIDUAL DIFFERENCES IN ORGANIZATIONAL BEHAVIOR

3.3.1 DEFINNING PERSONALITY

Personality is a concept that we use continuously in our day-to-day routine when dealing with people. We talk about people as having a good personality or a bad personality or arrogant and aggressive personality.

Philosophers and behavioral scientists have been trying to find ways to understand what they call personality. Personality has many meanings. We will represent the definition given by Salvatore Maddi (2006):
»Personality is a stable set of characteristics and tendencies that determine those commonalties and differences in the psychological behavior (thought, feeling and actions) of people that have continuity in time and that may not be easily understood as the sole result of the social and biological pressures of the momen«.

Organizationally, manager must understand that all subordinates are not alike and that each subordinates is unique and may or may not respond to the same stimuli, such as pay raise or reprimands. We are interested in such aspects of personality that induce people to behave in a manner as required by social pressures or biological pressures. If your boss wants a employee to do a job in a certain way, he will do it even if he disagree with the boss. This is the social pressure. Similarly, the employee will stop work and go for a lunch if it is hungry. This is biological pressur.

This business of working with people can be tricky. Everyone is different and everybody has a different working style based on their personality type. Even though we all want harmony and workplace efficiency, working with others requires us to work in a similar manner with an understanding of the style in which others prefer to operate.

If one manager wants to motivate people to work effectively and efficiently, in a group or individually, he must be aware of all different sorts of personality types and their motivation factors.

Not only managers have to be aware of this distinction between people. Also every other person that is working in a group of people has to have developed awareness of individual differences because of need to make compromises and to adjust to differences, while working with them.

3.3.2 TYPE OF THE PEOPLE AND ORGANIZATIONS

Type can be introduced into an organization to support many different functions and situations including managing others, development of leadership skills, organizing tasks, creation and management of teams, training for management and staff,conflict resolution, motivation, executive coaching, diversity, recognition and rewards, and change management.

Even when circumstances make it necessary for you to do work that you have not chosen or which you must do as part of your overall job description, knowledge and understanding of type can help you discover and use your strengths to accomplish the work. When you find an unsatisfactory job fit, you can examine the reasons and seek solutions based on your preferences.

Types of personalities

Type A and type B personality

A person exhibiting Type A behavior is generally restless, impatient with a desire for quick achievement and perfectionism. Type B is much more easy going, relaxed about time pressure, less competitive and more philosophical in nature. Some of the characteristics of

Type A personality are (www.changingminds.org):

- Is restless, so that he always moves, walks and eats rapidly.
- Is impatient with the pace of thing, dislikes waiting and is impatient with those who are not impatient.
- Does several things at once.
- Usually does not complete one thing before starting on another.
- Uses nervous gestures such as clenched fists and banging on tables.
- Does not have time to relax and enjoy life.

Type B behavior is just opposite and is more relaxed, sociable and has a balance do utlook in life.Type A behavior profile tends to be obsessive and, managers with such behavior are hard-driving, detailed oriented people with high performance standards.Type B persons on the other hand do put in extra effort in order to meet a deadline but do not feel pressurized.

More dipper distinction of the types of personalities is described in the C.G. Jung's Theory of Personality on witch is going to be based our further discussion.

Knowing your personality type, can help you with career planning at every stage: from your choices of subjects and majors in school to choosing your first career, to advancing in your organization or changing careers later in life.

People often find difficulty defining what kind of work they want to do or why a given field makes them comfortable or uncomfortable. Personality type is a practical tool for investigating what works for you, then looking for and recognizing work that satisfies your preferences.

3.3.3 FREUD AND PSYCOANALYSIS

In his research and studies, Freud found evidence that the consciousness of man is only a small part of the human mind, and your assumptions Metapsicológica raised the following division:

- **Aware**. Level where thoughts and perceptions are fully understood and perceived by the person.
- **Pre aware**. Is constituted by thoughts, memories and learning are not aware, that require special attention to access them easily.
- **Unaware**. Innate repressed desires that have escaped the consciousness. In the Structural Hypothesis, stated that the psychological structure is composed of three elements that are the result, and the **SuperMe**. They are in the unconscious.

On this part biological and instinctive, which leads to survival, our principle is primitive. It begins with the restrictions of the Oedipus complex. The part of morality and restrictions is the heir to the Oedipus and conforms to the Ideal Ego, which is what we would be, and the ideal I which am the idea we have of ourselves, which make up the self-esteem and mental health. the psychic superior is one instance that we integrate into society, marks the limits and values, is also the bearer of "I Dream" with the "I" is measured, which aims to reach and whose works requirement to achieve. Then will be in the "super ego" as Freud raises it, the moral and the ideal function the I (ego). The reality that must satisfy the

impulses of this at the time the object is available and not all the time because supreme will set the limits.

3.3.4 C.G. JUNG'S THEORY OF PERSONALITY

"What appears to be random behavior is actually the result of differences in the way people prefer to use their mental capacities". Carl G. Jung (1912) , "Psychology of the Unconscious"

The theory of psychological type comes from Swiss psychiatrist Carl G. Jung (1875-1961). Taking the stance of 'normal psychology', Jung basically assumes that all people have broadly the same psychological equipment of apperception and responsiveness. Where people differ is in the way that each of them typically makes use of the equipment. Accordingly, we are confronted with two main questions for the psychologist (www.changingminds.org):

1. What are the essential components of the equipment?
2. How do people differ in using these components to form their habitual mode of adaptation to reality?

Jung's answer to the first question claims that all people are equipped with four psychological functions, called **T**hinking, **F**eeling, **S**ensing and i**N**tuition, which are realized in one of two different attitudes: **I**ntroversion and **E**xtraversion. Normally, people use all four psychological functions. However, they have different preferences for what functions they use predominantly.

In 1921, Jung published *Psychological Types,* introducing the idea that each person has a psychological type. The academic language of the book made it hard to read and so few people could understand and use the ideas for practical purposes.

During World War II, two American women, Isabel Briggs Myers and her mother Katharine Cook Briggs, set out to find an easier way for people to use Jung's ideas in everyday life. They wanted people to be able to identify their psychological types without having to sift through Jung's academic theory (http:www.myersbriggs.org).

Myers-Briggs Type Indicator (MBTI) personality

The purpose of the Myers-Briggs Type Indicator (MBTI) personality inventory is to make the theory of psychological types described by C. G. Jung understandable and useful in people's lives and their interactions with other people at their work or social life. The essence of the theory is that much seemingly random variation in the behavior is actually quite orderly and consistent, being due ato basic differences in the ways individuals prefer to use their perception and judgment (Linda V. Berens, 1999).

Perception involves all the ways of becoming aware of things, people, happenings, or ideas. Judgment involves all the ways of coming to conclusions about what has been perceived. If people differ systematically in what they perceive and in how they reach conclusions, then it is only reasonable for them to differ correspondingly in their interests, reactions, values, motivations, and skills.
In developing the Myers-Briggs Type Indicator, the aim of Isabel Briggs Myers, and her mother, Katharine Briggs, was to make the insights of type theory accessible to individuals and groups. They addressed the two related goals in the developments and application of the MBTI instrument:
The identification of basic preferences of each of the four dichotomies specified or implicit in Jung's theory.

The identification and description of the 16 distinctive personality types that result from the interactions among the preferences:

1. Energizing: Extraversion (E) or Introversion (I).

Does a person prefer to focus and take energy from the outer world or on its inner world?

The first pair of psychological preferences is Extraversion and Introversion. Where people put their attention and get their energy from? Does a person like to spend time in the outer world of people and things (Extraversion), or in inner world of ideas and images (Introversion)?
Extraversion and Introversion as used by C. G. Jung explain different attitudes people use to direct their energy. These words have a meaning in psychology that is different from the way they are used in everyday language.
Everyone spends some time extraverting and some time introverting. Don't confuse Introversion with shyness or reclusiveness. They are not related.
Extrovertis best described as, "sociable, lively, impulsive, seeking novelty and change, carefree and emotionally expressive".From organizational point of view, it can be assumed that most managers would be extroverts since a managers role involves working and through other people. On the other hand, an extreme introvert works best when alone in a quite office without external interruptions or influences.

Extraversion(E)
Extraversion person likes getting its energy from active involvement in events and having a lot of different activities. He is excited when it is around people and, likes to energize other people. Like moving into action and making things happen. Generally feel at home in the world. Often understand a problem better when can talk out loud about it and hear what others have to say.
The following statements generally apply to extraversion person:

- It is seen as "outgoing" or as a "people person."
- Feel comfortable in groups and like working in them.
- Have a wide range of friends and know lots of people.
- Sometimes jumps too quickly into an activity and don't allow enough time to think it over.
- Before starts a project, sometimes forget to stop and get clear on what I want to do and why (http:www.myersbriggs.org).

Introversion(I)
Introversion person likes getting its energy from dealing with the ideas, pictures, memories, and reactions that are inside its head, in it its inner world. Often prefer doing things alone or with one or two people it feels comfortable with. Take time to reflect so that can have a clear idea of what will be doing when decide to act. Ideas are almost solid things. Sometimes like the idea of something better than the real thing.

The following statements generally apply to that (http:www.myersbriggs.org):

- It is seen as "reflective" or "reserved."
- Feel comfortable being alone and like things that can be done on its own.
- Prefer to know just a few people well.
- Sometimes spend too much time reflecting and don't move into action quickly enough.

Sometimes forget to check with the outside world to see if their ideas really fit the experience

2. Perceiving: Sensing (S) or Intuition (N)

Does a person prefer to focus on the basic information that takes in or do prefer to interpret and add meaning?

The second pair of psychological preferences is Sensing and Intuition. If a person pay more attention to information that comes in through your five senses (Sensing), or pays more attention to the patterns and possibilities that can be seen in the information received (Intuition)?
Everyone spends some time Sensing and some time using Intuition. Sensing with sensual are not the same stuff. They aren't related.

Sensing(S)
Paying attention to physical reality, what a person see, hear, touch, taste, and smell. Concerned with what is actual, present, current, and real. Notice facts and remember details that are important to individual. Like to see the practical use of things and learn best when see how to use what has been learnt. Experience speaks louder than words.
The following statements generally apply to this preference (http:www.myersbriggs.org):

- Remember events as snapshots of what actually happened.
- Solve problems by working through facts until understanding the problem.
- Pragmatic and look to the "bottom line."
- Start with facts and then form a big picture.
- Trust experience first and trust words and symbols less.
- Sometimes pay so much attention to facts, either present or past, that miss new possibilities.

Intuition(N)
Paying the most attention to impressions or the meaning and patterns of the information that is gathered. Would rather learn by thinking a problem through than by hands-on experience. Interested in new things and what might be possible, so that a person thinks more about the future than the past. Like to work with symbols or abstract theories, even if don't know how I will use them. Remember events more as an impression of what it was like than as actual facts or details of what happened.

The following statements generally apply this preferences (http:www.myersbriggs.org):

- Remember events by what read "between the lines" about their meaning.
- Solve problems by leaping between different ideas and possibilities.
- Interested in doing things that are new and different.
- Like to see the big picture, then to find out the facts.
- Trust impressions, symbols, and metaphors more than what actually experienced

Sometimes think so much about new possibilities that never look at how to make them a reality

3. Deciding: Thinking (T) or Feeling (F)

When making decisions, does a person prefer to first look at logic and consistency or first look at the people and special circumstances?

This third preference pair describes how a person likes to make decisions. Does it like to put more weight on objective principles and impersonal facts (Thinking) or to put more weight on personal concerns and the people involved (Feeling)?
Don't confuse Feeling with emotion. Everyone has emotions about the decisions they make. Also Thinking and intelligence are not the same thing.
Everyone uses Thinking for some decisions and Feeling for others. In fact, a person can make a decision using his or her preference, then test the decision by using the other preference to see what might not have been taken into account.

Thinking(T)
When a person make a decision, like to find the basic truth or principle to be applied, regardless of the specific situation involved. Like to analyze pros and cons, and then be consistent and logical in deciding. Try to be impersonal, so it won't let its personal wishes, or other people's wishes, to make influence.

The following statements generally apply to this preferences (http:www.myersbriggs.org):
:Enjoy technical and scientific fields where logic is important.

- Notice inconsistencies.
- Look for logical explanations or solutions to most everything.
- Make decisions with head and want to be fair.
- Believe telling the truth is more important than being tactful.
- Sometimes miss or don't value the "people" part of a situation.
- Can be seen as too task-oriented, uncaring, or indifferent.

4. Feeling (F)

Believe that can make the best decisions by weighing what people care about and the points-of-view of persons involved in a situation. Concerned with values and what is the best for the people involved. Like to do whatever will establish or maintain harmony. In the relationships, appear caring, warm, and tactful.
The following statements generally apply to this preferences (http:www.myersbriggs.org):

- Have a people or communications orientation.
- Concerned with harmony and nervous when it is missing.
- Look for what is important to others and express concern for others.
- Make decisions with heart and want to be compassionate.
- Believe being tactful is more important than telling the "cold" truth.
- Sometimes miss seeing or communicating the "hard truth" of situations.

Sometimes experienced by others as too idealistic, mushy, or indirect.

5. Living: Judging (J) or Perceiving (P)

In dealing with the outside world, does a person prefer to get things decided or does it prefer to stay open to new information and options?

This fourth preference pair describes how a person like to live its outer life. What are the behaviors others tend to see? Ddoes he prefer a more structured and decided lifestyle (Judging) or a more flexible and adaptable lifestyle (Perceiving)? This preference may also be thought of as your orientation to the outer world.

Everyone extraverts some of the time. This pair describes whether you extravert (act in the outer world) when you are making decisions or when you are taking in information.

Some people interact with the outside world when they are taking in information. Whether they use the Sensing preference or the Intuitive preference, they are still interacting in the outside world.

Other people do their interacting when they are making decisions. It doesn't matter whether they are using a Thinking preference or a Feeling preference; they are still interacting in the outside world.

Everyone takes in information some of the time. Everyone makes decisions some of the time. However, when it comes to dealing with the outer world, people who tend to focus on making decisions have a preference for Judging because they tend to like things decided. People who tend to focus on taking in information prefer Perceiving because they stay open to a final decision in order to get more information.

Sometimes people feel they have both. That is true. The J or P preference only tells which preference the person *extraverts*. One person may feel very orderly/structured (J) on the inside, yet their outer life

looks spontaneous and adaptable (P). Another person may feel very curious and open-ended (P) in their inner world, yet their outer life looks more structured or decided (J).

Don't confuse Judging and Perceiving with a person's level of organization. Either preference can be organized.

Judging(J)

Use its decision-making (Judging) preference (whether it is Thinking or Feeling) in its outer life. To others, seem to prefer a planned or orderly way of life, like to have things settled and organized, feel more comfortable when decisions are made, and like to bring life under control as much as possible.

Since this pair only describes what prefer in the outer world, It may, inside, feel flexible and open to new information.

Do not confuse Judging with judgmental, in its negative sense about people and events. They are not related.

The following statements generally apply to Judgers (http:www.myersbriggs.org):

- Like to have things decided.
- Appear to be task oriented.
- Like to make lists of things to do.
- Like to get my work done before playing.
- Plan work to avoid rushing just before a deadline.
- Sometimes focus so much on the goal that miss new information.

Perceiving(P)
Use its perceiving function (whether it is Sensing or Intuition) in its outer life. To others, it seem to prefer a flexible and spontaneous way of life, and like to understand and adapt to the world rather than organize it. Others see this person like staying open to new experiences and information.
Since this pair only describes what one prefer in the outer world, inside may feel very planful or decisive.

In type language perceiving means "preferring to take in information." It does not mean being "perceptive" in the sense of having quick and accurate perceptions about people and events.
The following statements generally apply to this preferences (http:www.myersbriggs.org):

- Like to stay open to respond to whatever happens.
- Appear to be loose and casual. Like to keep plans to a minimum.
- Like to approach work as play or mix work and play.
- Work in bursts of energy.
- It is stimulated by an approaching deadline.

Sometimes stay open to new information so long that it miss making decisions when they are needed.

The 16 personality types of the Myers-Briggs Type Indicator instrument are listed here as they are often shown in what is called a "type table." (Linda V. Berns, 1999):

	S	S	N	N	
I	ISTJ	ISFJ	INFJ	INTJ	J
I	ISTP	ISFP	INFP	INTP	P
E	ESTP	ESFP	ENFP	ENTP	P
E	ESTJ	ESFJ	ENFJ	ENTJ	J
	T	F	F	T	

I – Introvert, E – Extravert,
S – Sensing, N – Intuition,
T – Thinking, F- Feeling,
J – Judging, P – Perceiving.

The 16 MBTI Types

ISTJ (Introvert, Sensing, Thinking, Judging)

Quiet, serious, earn success by thoroughness and dependability. Practical, matter-of-fact, realistic, and responsible. Decide logically what should be done and work toward it steadily, regardless of distractions. Take pleasure in making everything orderly and organized – their work, their home, their life. Value traditions and loyalty.
Working with the ISTJ person:

Also known as **Inspectors**. The one word that best describes them is super dependable. Whether at home or at work, they are extraordinarily persevering and dutiful, particularly when it comes to keeping an eye on the people and products they are responsible for. In their quiet way, Inspectors see to it that rules are followed, laws are respected, and standards are upheld (http://keirsey.com).

They (as much as ten percent of the general population) are the true guardians of institutions. They are patient with their work and with the procedures within an institution, although not always with the unauthorized behavior of some people in that institution. Responsible to the core, they like it when people know their duties, follow the guidelines, and operate within the rules. For their part, they will see to it that goods are examined and schedules are kept, that resources will be up to standards and delivered when and where they are supposed to be. And they would prefer that everyone be this dependable. They can be hard-nosed about the need for following the rules in the workplace, and do not hesitate to report irregularities to the proper authorities. Because of this they are often misjudged as being hard-hearted or as having ice in their veins, for people fail to see their good intentions and their vulnerability to criticism. Also, because they usually make their inspections without much flourish or fanfare, the dedication they bring to their work can go unnoticed and unappreciated.

They are still highly sociable, and are likely to be involved in community service organizations, that transmit traditional values to the young. Generally speaking, they are not comfortable with anything that gets too fancy. Their words tend to be plain and down-to-earth, not showy or high-flown; their clothes are often simple and conservative rather than of the latest fashion; and their home and work environments are usually neat, orderly, and traditional, rather than trendy or ostentatious. As for personal property, they usually choose standard items over models loaded with features, and they often try to find classics and antiques. They prefer the old-fashioned to the newfangled every time.
They contribute to the Organization (Linda V. Berens, 1999):

- Get things done steadily and on schedule.
- Concentrate on details and are careful about managing them.

- Have things at the right place at the right time.
- Can be counted on the honor commitments and follow thought.
- Work within organizational structure comfortably.

ISFJ (Introvert, Sensing, Feeling, Judging)

Quiet, friendly, responsible, and conscientious. Committed and steady in meeting their obligations Thorough, painstaking, and accurate. Loyal, considerate, notice and remember specifics about people who are important to them, concerned with how others feel. Strive to create an orderly and harmonious environment at work and at home.

Working with the ISFJ person:
Also known as **Protectors**. We are lucky that ISFJ people make up as much as ten percent the population, because their primary interest is in the safety and security of those they care about - their family, their circle of friends, their students, their patients, their boss, their fellow-workers, or their employees. Protectors have an extraordinary sense of loyalty and responsibility in their makeup, and seem fulfilled in the degree they can shield others from the dirt and dangers of the world. Speculating and experimenting do not intrigue Protectors, who prefer to make do with time-honored and time-tested products and procedures rather than change to new. At work Protectors are seldom happy in situations where the rules are constantly changing, or where long-established ways of doing things are not respected. For their part, Protectors value tradition, both in the culture and in their family. Protectors believe deeply in the stability of social ranking conferred by birth, titles, offices, and credentials. And they cherish family history and enjoy caring for family property, from houses to heirlooms.

Wanting to be of service to others, Protectors find great satisfaction in assisting the downtrodden, and can deal with disability and neediness in others better than any other type. They are not as outgoing and their shyness is often misjudged as stiffness, even coldness, when in truth Protectors are warm-hearted and sympathetic, giving happily of themselves to those in need. http://keirsey.com/4temps/video_guardian1.asp.

Their reserve ought really to be seen as an expression of their sincerity and seriousness of purpose. The most diligent of all the types, Protectors are willing to work long, hard hours quietly doing all the thankless jobs that others manage to avoid. Protectors are quite happy working alone; in fact, in positions of authority they may try to do everything themselves rather than direct others to get the job done. Thoroughness and frugality are also virtues for them. When Protectors undertake a task, they will complete it if humanly possible. They also know better than any other type the value of a dollar, and they abhor the squandering or misuse of money. To save, to put something aside against an unpredictable future, to prepare for emergencies-these are actions near and dear to the Protector's heart For all these reasons, Protectors are frequently overworked, just as they are frequently misunderstood and undervalued. Their contributions, and also their economies, are often taken for granted, and they rarely get the gratitude they deserve.

They contribute to the Organization (Linda V. Berens, 1999):

- Take the practical needs of each person into account.
- Use follow-through skills in carrying out organizational goals.
- Expend efforts willingly to serve others.
- Have things at the right place at the right time.

INFJ (Introvert, Intuitive, Feeling, Judging)

Seek meaning and connection in ideas, relationships, and material possessions. Want to understand what motivates people and are insightful about others. Conscientious and committed to their firm values Develop a clear vision about how best to serve the common good. Organized and decisive in implementing their vision.

Working with INFJ person:
These types of people are often called **Counselors**. They have an exceptionally strong desire to contribute to the welfare of others, and find great personal fulfillment interacting with people, nurturing their personal development, guiding them to realize their human potential. Although they are happy working at jobs (such as writing) that require solitude and close attention, Counselors do quite well with individuals or groups of people, provided that the personal interactions are not superficial, and that they find some quiet, private time every now and then to recharge their batteries. Counselors are both kind and positive in their handling of others; they are great listeners and seem naturally interested in helping people with their personal problems. Not usually visible leaders, Counselors prefer to work intensely with those close to them, especially on a one-to-one basis, quietly exerting their influence behind the scenes.

Counselors are scarce, little more than three percent of the population, and can be hard to get to know since they tend not to share their innermost thoughts or their powerful emotional reactions except with their loved ones. They are highly private people, with an unusually rich, complicated inner life. Friends or colleagues who have known them for years may find sides emerging which come as a surprise. Not that Counselors are flighty or scattered; they value their integrity a great deal, but they have mysterious, intricately woven personalities which sometimes puzzle even them. http://keirsey.com/4temps/video_idealist1.asp.

Counselors tend to work effectively in organizations. They value staff harmony and make every effort to help an organization run smoothly and pleasantly. They understand and use human systems creatively and are good at consulting and cooperating with others. As employees or employers, Counselors are concerned with people's feelings and are able to act as a barometer of the feelings within the organization.

They contribute to the Organization (Linda V. Berens, 1999):

- Provide future-orientated insights directed at serving human needs.
- Follow through on commitments.
- Work with integrity and consistency.
- Use periods of solitude and concentration to come up with creative ideas.
- Organize complex interaction between people and tasks.

INTJ (Introvert, Intuitive, Thinking, Judging)

Have original minds and great drive for implementing their ideas and achieving their goals. Quickly see patterns in external events and develop long-range explanatory perspectives. When committed, organize a job and carry it through. Skeptical and independent, have high standards of competence and performance – for themselves and others.

Working with INTJ people:
They are also called **Masterminds.** All Rationals are good at planning operations, but Masterminds are head and shoulders above all the rest in contingency planning. Complex operations involve many steps or stages, one following another in a necessary progression, and Masterminds are naturally able to grasp how each one leads to the next, and to prepare alternatives for difficulties that are likely to arise any step of the way. Trying to anticipate every contingency, Masterminds never set off on their current project without a Plan A firmly in mind, but they are always prepared to switch to Plan B or C or D if need be.

Masterminds are rare, comprising no more than one to two percent of the population, and they are rarely encountered outside their office, factory, school, or laboratory. Although they are highly capable leaders, Masterminds are not at all eager to take command, preferring to stay in the background until others demonstrate their inability to lead. Once they take charge, however, they are thoroughgoing

pragmatists. Masterminds are certain that efficiency is indispensable in a well-run organization, and i they encounter inefficiency -- any waste of human and material resources -- they are quick to realigr operations and reassign personnel. Masterminds do not feel bound by established rules and procedures and traditional authority does not impress them, nor do slogans or catchwords. Only ideas that make sense to them are adopted; those that don't, aren't, no matter who thought of them. Remember, their aim is always maximum efficiency. http://keirsey.com/4temps/video_rational1.asp

In their careers, Masterminds usually rise to positions of responsibility, for they work long and hard and are dedicated in their pursuit of goals, sparing neither their own time and effort nor that of their colleagues and employees. Problem-solving is highly stimulating to Masterminds, who love responding to tangled systems that require careful sorting out. Ordinarily, they verbalize the positive and avoid comments of a negative nature; they are more interested in moving an organization forward than dwelling on mistakes of the past.

Masterminds tend to be much more definite and self-confident than other Rationals, having usually developed a very strong will. Decisions come easily to them; in fact, they can hardly rest until they have things settled and decided. But before they decide anything, they must do the research. Masterminds are highly theoretical, but they insist on looking at all available data before they embrace an idea, and they are suspicious of any statement that is based on shoddy research, or that is not checked against reality.

They contribute to the Organization (Linda V. Berens, 1999):

- Provide theoretical insights and design skills
- Organize ideas into action plans
- Work to remove obstacles to goal attainment
- Have strong ideas of what the organization can be
- Push everyone to understand the system as whole with the complex interaction among the parts.

ISTP (Introvert, Sensing, Thinking, Perceiving)

Tolerant and flexible, quiet observers until a problem appears, then act quickly to find workable solutions. Analyze what makes things work and readily get through large amounts of data to isolate the core of practical problems. Interested in cause and effect, organize facts using logical principles, value efficiency.

Working with ISTP person:

The nature of **Crafters** is most clearly seen in their masterful operation of tools, equipment, machines and instruments of all kinds. Most us use tools in some capacity, of course, but Crafters (as much as ten percent of the population) are the true masters of tool work, with an innate ability to command tools and to become expert at all the crafts requiring tool skills. Even from an early age they are drawn to tools as if to a magnet -- tools fall into their hands demanding use, and they must work with them.

Like all the Artisans, Crafters are people who love action, and who know instinctively that their activities are more enjoyable, and more effective, if done impulsively, spontaneously, subject to no schedules or standards but their own. In a sense, Crafters do not work with their tools, but play with them when the urge strikes them. Crafters also seek fun and games on impulse, looking for any opportunity, and just because they feel like it, to play with their various toys: cars, motorcycles, boats, dune-buggies, hunting rifles, fishing tackle, scuba gear, and on and on. They thrive on excitement, particularly the rush of speed-racing, water-skiing, surfing. And Crafters are fearless in their play, exposing themselves to danger again and again, even despite frequent injury. Of all the types, Crafters are most likely to be risk takers, pitting themselves, or their technique, against chance or odds http://www.keirsey.com/sample/emp_boss_comm_guide_sample.pdf.

Crafters are hard to get to know. Perhaps this is because they tend to communicate through action, and show little interest in developing language skills. Their lack of expressiveness can isolate them at school and on the job, and even though they hang around with their own kind in play, they let their actions speak for them, and their actual conversation is sparse and brief.

Crafters can be wonderfully generous and loyal to their friends, teammates, and sidekicks, often giving up their evenings or weekends to help with building projects or mechanical repairs-house remodeling for example, or working on cars or boats. On the other hand, they can be fiercely insubordinate to those in authority, seeing rules and regulations as unnecessarily confining. Crafters will not usually go against regulations openly, but will simply ignore them. More than anything, Crafters want to be free to do their own thing, and they are proud of their ability to do it with an artist's skill.

They contribute to the Organization (Linda V. Berens, 1999):

- Act as troubleshooters, rising to meet the needs of the occasion
- Function as walking storehouses of information in areas in which they have as interest
- Figure out practical ways to get the thing done
- Remain calm during the crises
- Add expertise to projects where they have technical skills.

ISFP (Introvert, Sensing, Feeling, Perceiving)

Quiet, friendly, sensitive, and kind. Enjoy the present moment, what's going on around them. Like to have their own space and to work within their own time frame. Loyal and committed to their values and to people who are important to them. Dislike disagreements and conflicts, do not force their opinions or values on others.

Working with ISFP person:
Also known as **Composers.** They are in tune with their senses, and so have a sure grasp of what belongs, and what doesn't belong, in all kinds of works of art. While the other Artisans are skilled with people, tools, and entertainment, Composers have an exceptional ability-seemingly inborn-to work with subtle differences in color, tone, texture, aroma, and flavor.

Although Composers often put long, lonely hours into their artistry, they are just as impulsive as the other Artisans. They do not wait to consider their moves; rather, they act in the here and now, with little or no planning or preparation. Composers are seized by the act of artistic composition, as if caught up in a whirlwind. The act is their master, not the reverse. Composers paint or sculpt, they dance or skate, they write melodies or make recipes-or whatever-simply because they must. They climb the mountain because it is there. http://www.keirsey.com/sample/emp_boss_comm_guide_sample.pdf

This ability to lose themselves in action accounts for the spectacular individual accomplishments of some Composers, and yet on their social side they show a kindness unmatched by all the other types. Composers are especially sensitive to the pain and suffering of others, and they sympathize freely with the sufferer. Some have a remarkable way with young children, almost as if there were a natural bond of sympathy and trust between them. A similar bond may be seen between some Composers and animals, even wild animals. Many Composers have an instinctive longing for the wilds, and nature seems to welcome them.

Very likely the difficulty comes from their tendency not to express themselves verbally, but through their works of art. Composers are usually not interested in developing ability in public speaking, or ever in the art of conversation; they prefer to feel the pulse of life by touch, in the muscles, in the eyes, in the ears, on the tongue. Make no mistake, Composers are just as interested as other types in sharing their view of the world, and if they find a medium of non-verbal communication-some art form-then they will express their character quite eloquently. If not, they simply remain unknown, their quietness leaving their character all but invisible.

They contribute to the Organization (Linda V. Berens, 1999):

- Respond to the needs of each person in the organization as they arise
- Act to ensure others well-being
- Insure a particular joy in their work
- Bring people and tasks together
- Pay attention on how people are treated.

INFP (Introvert, Intuitive, Feeling, Perceiving)

Idealistic, loyal to their values and to people who are important to them. Want an external life that is congruent with their values. Curious, quick to see possibilities, can be catalysts for implementing ideas Seek to understand people and to help them fulfill their potential. Adaptable, flexible, and accepting unless a value is threatened.

Working with INFP person:

Also known as **Healers,** present a calm and serene face to the world, and can seem shy, even distant around others. But inside they're anything but serene, having a capacity for personal caring rarely found in the other types. Healers care deeply about the inner life of a few special persons, or about a favorite cause in the world at large. And their great passion is to heal the conflicts that trouble individuals, or that divide groups, and thus to bring wholeness, or health, to themselves, their loved ones, and their community.

Healers have a profound sense of idealism that comes from a strong personal sense of right and wrong They conceive of the world as an ethical, honorable place, full of wondrous possibilities and potential goods. In fact, to understand Healers, we must understand that their deep commitment to the positive and the good is almost boundless and selfless, inspiring them to make extraordinary sacrifices for someone or something they believe in. Set off from the rest of humanity by their privacy and scarcity, Healers can often feel even more isolated in the purity of their idealism. http://keirsey.com/4temps/video_idealist1.asp. Also, Healers might well feel a sense of separation because of their often misunderstood childhood. Healers live a fantasy-filled childhood-they are the prince or princess of fairy tales-an attitude which, sadly, is frowned upon, or even punished, by many parents. With parents who want them to get their head out of the clouds, Healers begin to believe they are bad to be so fanciful, so dreamy, and can come to see themselves as ugly ducklings. In truth, they are quite OK just as they are only different from most others-swans reared in a family of ducks.

At work, Healers are adaptable, welcome new ideas and new information, are patient with complicated situations, but impatient with routine details. Healers are keenly aware of people and their feelings, and relate well with most others. Because of their deep-seated reserve, however, they can work quite happily alone. When making decisions, Healers follow their heart not their head, which means they can make errors of fact, but seldom of feeling. They have a natural interest in scholarly activities and demonstrate, like the other Idealists, a remarkable facility with language. They have a gift for interpreting stories, as well as for creating them, and thus often write in lyric, poetic fashion. Frequently they hear a call to go forth into the world and help others, a call they seem ready to answer, even if they must sacrifice their own comfort.

They contribute to the Organization (Linda V. Berens, 1999):

- Communicate and persuade with their ideas
- Draw individuals together around a common purpose
- Work to find matches for people in organization
- Seek new ideas and possibilities for organization
- Quietly push an organization to upload its values.

INTP (Introverted, Intuitive, Thinking, Perceiving)

Seek to develop logical explanations for everything that interests them. Theoretical and abstract interested more in ideas than in social interaction. Quiet, contained, flexible, and adaptable. Have unusual ability to focus in depth to solve problems in their area of interest. Skeptical, sometimes critical always analytical.

Working with INTP person:
Also known as **Architects,** need not be thought of as only interested in drawing blueprints for buildings or roads or bridges. They are the master designers of all kinds of theoretical systems, including school curricula, corporate strategies, and new technologies. For Architects, the world exists primarily to be analyzed, understood, explained - and re-designed. External reality in itself is unimportant, little more than raw material to be organized into structural models. What is important for Architects is that they grasp fundamental principles and natural laws, and that their designs are elegant, that is, efficient and coherent.

Architects are rare - maybe one percent of the population - and show the greatest precision in thought and speech of all the types. They tend to see distinctions and inconsistencies instantaneously, and can detect contradictions no matter when or where they were made. It is difficult for an Architect to listen to nonsense, even in a casual conversation, without pointing out the speaker's error. And in any serious discussion or debate Architects are devastating, their skill in framing arguments giving them an enormous advantage. Architects regard all discussions as a search for understanding, and believe their function is to eliminate inconsistencies, which can make communication with them an uncomfortable experience for many. http://keirsey.com/4temps/video_rational1.asp. Ruthless pragmatists about ideas and insatiably curious, Architects are driven to find the most efficient means to their ends, and they will learn in any manner and degree they can. They will listen to amateurs if their ideas are useful, and will ignore the experts if theirs are not. Authority derived from office, credential, or celebrity does not impress them. Architects are interested only in what make sense, and thus only statements that are consistent and coherent carry any weight with them.

Architects often seem difficult to know. They are inclined to be shy except with close friends, and their reserve is difficult to penetrate. Able to concentrate better than any other type, they prefer to work quietly at their computers or drafting tables, and often alone. Architects also become obsessed with analysis, and this can seem to shut others out. Once caught up in a thought process, Architects close off and persevere until they comprehend the issue in all its complexity. Architects prize intelligence, and with their grand desire to grasp the structure of the universe, they can seem arrogant and may show impatience with others who have less ability, or who are less driven.

They contribute to the Organization (Linda V. Berens, 1999):

- Design logical and complex systems
- Demonstrate expertise in tacking intricate problems
- Apply logics, analysis and critical thinking to issues
- Concentrate to core issues.

ESTP (Extravert, Sensing, Thinking, Perceiving)

Flexible and tolerant, they take a pragmatic approach focused on immediate results. Theories and conceptual explanations bore them – they want to act energetically to solve the problem. Focus on the here-and-now, spontaneous, enjoy each moment that they can be active with others. Enjoy material comforts and style. Learn best through doing.

Working with ESTP person:
They are also known as **Promoters**. There are lots of Promoters -- maybe ten or so percent of the population, and life is never dull around them. In a word, they are men and women of action. When a Promoter is present, things begin to happen: the lights come on, the music plays, the games begin

Clever and full of fun, Promoters live with a theatrical flourish which makes even the most routine events seem exciting. Not that they waste much time on routine events. In work and in play, Promoters demand new activities and new challenges. Bold and daring at heart, and ever-optimistic that things will go their way, Promoters will take tremendous risks to get what they want, and seem exhilarated by walking close to the edge of disaster. Because of this, they make the very best trouble-spot administrators and negotiators, and they can be outstanding entrepreneurs, able to swing deals and kick-start enterprises in a way no other type can http://www.keirsey.com/sample/emp_boss_comm_guide_sample.pdf.

Promoters also have a hearty appetite for the finer things of life, the best food, the best wine, expensive cars, and fashionable clothes. And they are extremely sophisticated in social circles, knowing many, many people by name, and knowing how to say just the right thing to most everyone they meet.

Charming, confident, and popular, Promoters delight their friends and investors with their endless supply of stories and jokes. At the same time, these smooth operators are usually something of a mystery to others. While they live in the moment and lend excitement - and unpredictability - to all their relationships, they rarely let anyone get really close to them. They have a low tolerance for authority and commitment, and are likely to leave situations where they are expected to toe the mark, or where they must play second fiddle. Promoters understand well the maxim, "He who travels fastest, travels alone," although they are not likely to be lonely for long, since their boldness and sense of adventure tends to make them highly attractive to many other people.

They contribute to the Organization (Linda V. Berens, 1999):

- Negotiate and seek compromise to move things along
- Keep things lively, make things happened
- Take a direct and realistic approach
- Embrace risk in a calculated way
- Notice and remember factual information.

ESFP (Extravert, Sensing, Feeling, Perceiving)

Outgoing, friendly, and accepting. Exuberant lovers of life, people, and material comforts. Enjoy working with others to make things happen. Bring common sense and a realistic approach to their work, and make work fun. Flexible and spontaneous, adapt readily to new people and environments. Learn best by trying a new skill with other people.

Working with ESFP person:
Also known as **Performers.** They have the special ability to delight those around them with their warmth, their good humor, and with their often extraordinary skills in music, comedy, and drama. Whether on the job, with friends, or with their families, Performers are exciting and full of fun, and their great social interest lies in stimulating those around them to take a break from work and worry, to lighten up and enjoy life.

Performers are plentiful, something over ten percent of the population, and this is fortunate, because they bring pleasure to so many of us. Performers are the people for whom it can truly be said "all the world's a stage." Born entertainers, they love the excitement of playing to an audience, and will quickly become the center of attention wherever they are. Performers aren't comfortable being alone, and seek the company of others whenever possible -- which they usually find, for they make wonderful playmates. Performers are smooth, talkative, and witty; they always seem to know the latest jokes and stories, and are quick with wisecracks and wordplay-nothing is so serious or sacred that it can't be made fun of. Performers also like to live in the fast lane, and seem up on the latest fashions of dress, food, drink, and music. Lively and uninhibited, Performers are the life of the party, always trying to create in those around them a mood of eat, drink, and be merry. http://www.keirsey.com/sample/emp_boss_comm_guide_sample.pdf.

The Performers' talent for enjoying life is healthy for the most part, though it also makes them more subject to temptations than the other types. Pleasure seems to be an end in itself for them, and variety is the spice of life. And so Performers are open to trying almost anything that promises them a good time, not always giving enough thought to the consequences.

Like the other Artisans, Performers are incurably optimistic - "Always look on the bright side," is their motto -- and they will avoid worries and troubles by ignoring them as long as possible. They are also the most generous of all the types, and second only to the Composer Artisans [ISFPs] in kindness. Performers haven't a mean or stingy bone in their body-what's theirs is yours-and they seem to have little idea of saving or conserving. They give what they have to one and all without expectation of reward, just as they love freely, and without expecting anything in return. In so many ways, Performers view life as an eternal cornucopia from which flows an endless supply of pleasures.

They contribute to the Organization (Linda V. Berens, 1999):

- Bring energy, enthusiasm and a spirit into organization
- Present a positive image of the organization
- Bring action, excitement and fun into organization
- Link people, information and recourses.

ENFP (Extravert, Intuitive, Feeling, Perceiving)

Warmly enthusiastic and imaginative. See life as full of possibilities. Make connections between events and information very quickly, and confidently proceed based on the patterns they see. Want a lot of affirmation from others, and readily give appreciation and support. Spontaneous and flexible, often rely on their ability to improvise and their verbal fluency.

Working with ENFP person:
Like the other Idealists, **Champions** are rather rare, say three or four percent of the population, but ever more than the others they consider intense emotional experiences as being vital to a full life. Champions have a wide range and variety of emotions, and a great passion for novelty. They see life as an exciting drama, pregnant with possibilities for both good and evil, and they want to experience all the meaningful events and fascinating people in the world. The most outgoing of the Idealists, Champions often can't wait to tell others of their extraordinary experiences. Champions can be tireless in talking with others, like fountains that bubble and splash, spilling over their own words to get it all out. And usually this is not simple storytelling; Champions often speak (or write) in the hope of revealing some truth about human experience, or of motivating others with their powerful convictions. Their strong drive to speak out on issues and events, along with their boundless enthusiasm and natural talent with language, makes them the most vivacious and inspiring of all the types.
http://keirsey.com/4temps/video_idealist1.asp.

Fiercely individualistic, Champions strive toward a kind of personal authenticity, and this intention always to be themselves is usually quite attractive to others. At the same time, Champions have outstanding intuitive powers and can tell what is going on inside of others, reading hidden emotions and giving special significance to words or actions. In fact, Champions are constantly scanning the social environment, and no intriguing character or silent motive is likely to escape their attention. Far more than the other Idealists, Champions are keen and probing observers of the people around them, and are capable of intense concentration on another individual. Their attention is rarely passive or casual. On the contrary, Champions tend to be extra sensitive and alert, always ready for emergencies, always on the lookout for what's possible.

Champions are good with people and usually have a wide range of personal relationships. They are warm and full of energy with their friends. They are likable and at ease with colleagues, and handle their employees or students with great skill. They are good in public and on the telephone, and are so spontaneous and dramatic that others love to be in their company. Champions are positive, exuberant

people, and often their confidence in the goodness of life and of human nature makes good things happen.

They contribute to the Organization (Linda V. Berens, 1999):

- See the need for initiation of the change
- Focus on possibilities, especially for people
- Energize and persuade others through their contagious enthusiasm
- Add creativity and imagination to the projects
- Appreciate and acknowledge others.

ENTP (Extravert, Intuitive, Thinking, Perceiving)

Quick, ingenious, stimulating, alert, and outspoken. Resourceful in solving new and challenging problems. Adept at generating conceptual possibilities and then analyzing them strategically. Good at reading other people. Bored by routine, will seldom do the same thing the same way, apt to turn to one new interest after another.

Working with ENTP person:
Also known as **Inventors** begin building gadgets and mechanisms as young children, and never really stop, though as adults they will turn their inventiveness to many kinds of organizations, social as well as mechanical. There aren't many Inventors, say about two percent of the population, but they have great impact on our everyday lives. With their innovative, entrepreneurial spirit, Inventors are always on the lookout for a better way, always eyeing new projects, new enterprises, new processes. Always aiming to "build a better mousetrap."Inventors are keenly pragmatic, and often become expert at devising the most effective means to accomplish their ends. They are the most reluctant of all the types to do things in a particular manner just because that's the way they have been done. As a result, they often bring fresh new approaches to their work and play. They are intensely curious and continuously probe for possibilities, especially when trying to solve complex problems. Inventors are filled with ideas, but value ideas only when they make possible actions and objects. Thus they see product design not as an end in itself, but as a means to an end, as a way of devising the prototype that works and that can be brought to market. Inventors are confident in their pragmatism, counting on their ability to find effective ways and means when they need them, rather than making a detailed blueprint in advance. A rough idea is all they need to feel ready to proceed into action. http://keirsey.com/4temps/ video_rational1.asp.

Inventors often have a lively circle of friends and are interested in their ideas and activities. They are usually easy-going, seldom critical or carping. Inventors can be engaging conversationalists, able to express their own complicated ideas and to follow the ideas of others. When arguing issues, however, they may deliberately employ debate skills to the serious disadvantage of their opponents.

Inventors are usually non-conformists in the workplace, and can succeed in many areas as long as the job does not involve too much humdrum routine. They make good leaders on pilot projects that test their ingenuity. And they are skilled at engineering human relationships and human systems, quickly grasping the politics of institutions and always wanting to understand the people within the system rather than tell them what to do. No matter what their occupation, however, Inventors display an extraordinary talent for rising to the demands of even the most impossible situations. "It can't be done" is a challenge to an Inventor and elicits a reaction of "I can do it."

They contribute to the Organization (Linda V. Berens, 1999):

- View limitation as challenge to be overcome
- Provide new ways to do things
- Bring a conceptual framework to problems
- Take initiative
- Enjoy complex challenges that address future needs.

ESTJ (Extravert, Sensing, Thinking, Judging)

Practical, realistic, matter-of-fact. Decisive, quickly move to implement decisions. Organize projects and people to get things done, focus on getting results in the most efficient way possible. Take care of routine details. Have a clear set of logical standards, systematically follow them and want others to also Forceful in implementing their plans.

Working with ESTJ person:
Also known as **Supervisors.** They are highly social and community-minded, with many rising to positions of responsibility in their school, church, industry, or civic groups. Supervisors are generous with their time and energy, and very often belong to a variety of service clubs, lodges, and associations supporting them through steady attendance, but also taking an outspoken leadership role. Supervisors like to take charge of groups and are comfortable issuing orders. They are cooperative with their own superiors, and they would like cooperation from the people working under them. Rank, they believe, has its obligations, but it also has its privileges.

Comprising at least ten percent of the population, Supervisors enjoy and are good at making schedules, agendas, inventories, and so on, and they much prefer tried and true ways of doing things over speculation and experimentation. Supervisors keep their feet firmly on the ground and would like those under their supervision to do the same, whether employee, subordinate, spouse, or offspring. Supervisors have no problem evaluating others and tend to judge how a person is doing in terms of his or her compliance with, and respect for, schedules and procedures.

Supervisors are unbelievably hard-working. Even as children they are industrious, and they usually respect their parents as authority figures. In school Supervisors are often model students, dutifully following directions, doing all their homework, doing it thoroughly, and on time. Above all else, they wish to do what they are supposed to do, and they rarely question the teacher's assignments, method of instruction, standards, or authority. And their industry and perseverance only become more important to them as they grow into adulthood and take on the responsibilities of job and family.

Supervisors approach human relations along traditional lines. Marriage and parenthood are sacred to them, and they tend to have a large circle of friends, with many friendships faithfully maintained over the years. Social gatherings and ceremonies have great meaning for them, and they look forward to holiday parties, club dances, weddings, class reunions, awards banquets, and the like. In social situations, Supervisors are friendly and talk easily with others. Though they can seem a bit formal in their manners, Supervisors are pretty easy to get to know. At ease in polite company, they tend not to confuse people by sending double messages or putting on airs-what they seem to be, they are.

They contribute to the Organization (Linda V. Berens, 1999):

- See, point out, and correct flaws in advance
- Critique programs in a logical, objective way
- Monitor to determine that the tasks are done correctly
- Organize the process and people to active goals
- Follow trough in a step-by-step way.

ESFJ (Extravert, Sensing, Feeling, judging)

Warmhearted, conscientious, and cooperative. Want harmony in their environment, work with determination to establish it. Like to work with others to complete tasks accurately and on time. Loyal, follow through even in small matters. Notice what others need in their day-by-day lives and try to provide it. Want to be appreciated for who they are and for what they contribute.

Working with ESFJ person:
Also known as **Providers**. They take it upon themselves to insure the health and welfare of those in their care, but they are also the most sociable of all the Guardians, and thus are the great nurturers of social institutions such as schools, churches, social clubs, and civic groups. Providers are very likely more than ten percent of the population, and this is fortunate for the rest of us, because friendly social service is a key to their nature. Wherever they go, Providers happily give their time and energy to make sure that the needs of others are met, and that social functions are a success.

Highly cooperative themselves, Providers are skilled in maintaining teamwork among their helpers, and are also tireless in their attention to the details of furnishing goods and services. They make excellent chairpersons in charge of dances, banquets, class reunions, charity fund-raisers, and the like. They are without peer as masters of ceremonies, able to speak publicly with ease and confidence. And they are outstanding hosts or hostesses, knowing everyone by name, and seemingly aware of what everyone's been doing. Providers love to entertain, and are always concerned about the needs of their guests wanting to make sure that all are involved and provided for.

Friendly, outgoing, neighborly - in a word, Providers are gregarious, so much so that they can become restless when isolated from people. They love to talk with others, and will often strike up a conversation with strangers and chat pleasantly about any topic that comes to mind. Friendships matter a great deal to Providers, and their conversations with friends often touch on good times from years past. Family traditions are also sacred to them, and they carefully observe birthdays and anniversaries. In addition Providers show a delightful fascination with news of their friends and neighbors. If we wish to know what's been going on in the local community, school, or church, they're happy to fill us in on all the details.

Providers are extremely sensitive to the feelings of others, which makes them perhaps the most sympathetic of all the types, but which also leaves them somewhat self-conscious, that is, highly sensitive to what others think of them. Loving and affectionate themselves, they need to be loved in return. In fact, Providers can be crushed by personal criticism, and are happiest when given ample appreciation both for themselves personally and for the tireless service they give to others.

They contribute to the Organization (Linda V. Berens, 1999):

- Bring service orientation and attitude
- Pay close attention to each person needs
- Complete task in a timely and accurate way
- Respect rules and authority.

ENFJ (Extravert, Intuitive, Feeling, Judging)

Warm, empathetic, responsive, and responsible. Highly attuned to the emotions, needs, and motivations of others. Find potential in everyone, want to help others fulfill their potential. May act as catalysts for individual and group growth. Loyal, responsive to praise and criticism. Sociable, facilitate others in a group, and provide inspiring leadership.

Working with ENFJ person:
Also known as **Teachers**. They have a natural talent for leading students or trainees toward learning, or as Idealists like to think of it, they are capable of calling forth each learner's potentials. Teachers (around two percent of the population) are able - effortlessly, it seems, and almost endlessly-to dream up fascinating learning activities for their students to engage in. In some Teachers, this ability to fire the imagination can amount to a kind of genius which other types find hard to emulate. But perhaps their greatest strength lies in their belief in their students. Teachers look for the best in their students, and communicate clearly that each one has untold potential, and this confidence can inspire their students to grow and develop more than they ever thought possible.

In whatever field they choose, Teachers consider people their highest priority, and they instinctively

communicate personal concern and a willingness to become involved. Warmly outgoing, and perhaps the most expressive of all the types, Teachers are remarkably good with language, especially when communicating in speech, face to face. And they do not hesitate to speak out and let their feelings be known. Bubbling with enthusiasm, Teachers will voice their passions with dramatic flourish, and can with practice, become charismatic public speakers. This verbal ability gives Teachers a good deal of influence in groups, and they are often asked to take a leadership role. http://keirsey.com/4temps/video_idealist1.asp.

Teachers like things settled and organized, and will schedule their work hours and social engagements well ahead of time -- and they are absolutely trustworthy in honoring these commitments. Valuing as they do interpersonal cooperation and harmonious relations, Teachers are extraordinarily tolerant of others, are easy to get along with, and are usually popular wherever they are.

Teachers are highly sensitive to others, which is to say their intuition tends to be well developed Certainly their insight into themselves and others is unparalleled. Without a doubt, they know what is going on inside themselves, and they can read other people with uncanny accuracy. Teachers also identify with others quite easily, and will actually find themselves picking up the characteristics emotions, and beliefs of those around them. Because they slip almost unconsciously into other people's skin in this way, Teachers feel closely connected with those around them, and thus show a sincere interest in the joys and problems of their employees, colleagues, students, clients, and loved ones.

They contribute to the Organization (Linda V. Berens, 1999):

- Bring strong ideas of how organization should treat people
- Enjoy leading and facilitating teams
- Encourage cooperation
- Communicate organizational values
- Like to bring maters to fruitful conclusion.

ENTJ (Extravert, Initiative, Thinking, Judging)

Frank, decisive, assume leadership readily. Quickly see illogical and inefficient procedures and policies, develop and implement comprehensive systems to solve organizational problems. Enjoy long-term planning and goal setting. Usually well informed, well read, enjoy expanding their knowledge and passing it on to others. Forceful in presenting their ideas.

Working with ENTJ person:
Also known as **Fieldmarshal**. Of the four aspects of strategic analysis and definition it is the marshaling or situational organizing role that reaches the highest development. As this kind of role is practiced some contingency organizing is necessary, so that the second suit of the Fieldmarshal's intellect is devising contingency plans. Structural and functional engineering, though practiced in some degree in the course of organizational operations, tend to be not nearly as well developed and are soon outstripped by the rapidly growing skills in organizing. But it must be said that any kind of strategic exercise tends to bring added strength to engineering as well as organizing skills.

Hardly more than two percent of the total population, Fieldmarshals are bound to lead others, and from an early age they can be observed taking command of groups. In some cases, they simply find themselves in charge of groups, and are mystified as to how this happened. But the reason is that they have a strong natural urge to give structure and direction wherever they are - to harness people in the field and to direct them to achieve distant goals. They resemble Supervisors in their tendency to establish plans for a task, enterprise, or organization, but Fieldmarshals search more for policy and goals than for regulations and procedures. http://keirsey.com/4temps/video_rational1.asp.

They cannot *not* build organizations, and cannot *not* push to implement their goals. When in charge of an organization, whether in the military, business, education, or government, Fieldmarshals more than

any other type desire (and generally have the ability) to visualize where the organization is going, and they seem able to communicate that vision to others. Their organizational and coordinating skills tends to be highly developed, which means that they are likely to be good at systematizing, ordering priorities generalizing, summarizing, marshaling evidence, and at demonstrating their ideas. Their ability to organize, however, may be more highly developed than their ability to analyze, and the Fieldmarshal leader may need to turn to an Inventor or Architect to provide this kind of input.

Fieldmarshals will usually rise to positions of responsibility and enjoy being executives. They are tireless in their devotion to their jobs and can easily block out other areas of life for the sake of their work. Superb administrators in any field - medicine, law, business, education, government, the military - Fieldmarshals organize their units into smooth-functioning systems, planning in advance, keeping both short-term and long-range objectives well in mind. For the Fieldmarshal, there must always be a goal-directed reason for doing anything, and people's feelings usually are not sufficient reason. They prefer decisions to be based on impersonal data, want to work from well thought-out plans, like to use engineered operations - and they expect others to follow suit. They are ever intent on reducing bureaucratic red tape, task redundancy, and aimless confusion in the workplace, and they are willing to dismiss employees who cannot get with the program and increase their efficiency. Although Fieldmarshals are tolerant of established procedures, they can and will abandon any procedure when it can be shown to be ineffective in accomplishing its goal. Fieldmarshals root out and reject ineffectiveness and inefficiency, and are impatient with repetition of error.

Contribution to the Organization:

- Develop well-thought-out plans
- Provide structure to the organization
- Design strategies that work toward broad goals
- Take charge quickly and do what it takes
- Deal directly with problems caused by confusion.

3.3.5 CONCLUSION

Understanding the type of a person

You need to understand that not everyone is like you. It can be really exciting to find out all the different types of personalities out there. Sometimes people might take it personally when people might not agree with them or be pleased with the same thing they are pleased with. The main rule was to do unto others as we would have them do unto us, but the rule should be do unto others as they would want which might not be the same thing we would want ourselves.

When a person understand its type preferences, you can approach your own work in a manner that best suits its style, including how one manage its time, problem solving, best approaches to decision making, and dealing with stress. Knowledge of type can help deal with the culture of the place its work the development of new skills, understanding its participation on teams, and coping with change in the workplace.

So, one of the most important things while working with people is to understand that everybody are different and that each one of us works under different motivation factor. Different stuff motivate us and energizes us.

When dealing with different types of people it is a good place to start by first trying to figure out what type you are yourself. Your approach to life, your values and your character type will tend to approach all others as you yourself would like to be Approached. If you always use “your” type of approach, you will only have gained the results you want from people who are “just like you”. There is a clear benefit from being able to change your approach to deal with other personality types.

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3.4 MOTIVATION AND PERFORMANCE

3.4.1 INTRODUCTION

Performance can be defined as the extent to which an organizational member contributes to achieving the objectives of the organization. Although there is a positive relationship between motivation and performance, the relationship is not one-to-one because other factors such as personality, general cognitive ability, emotional intelligence, task understanding, and chance can intervene.

General cognitive ability refers to a person's basic information processing capacities and cognitive resources. General cognitive ability predicts learning and training success as well as job performance in all kinds of jobs and occupations. It is an even better predictor of performance for more complex and higher-level jobs that require the use of more cognitive skills.

Emotional intelligence (EI) has to do with an individual's ability to understand and manage his or her own and others' feelings and emotions. Peter Salovey and John Mayer have developed an EI model that consists of four interrelated sets of skills or branches. The four skills represent sequential steps that form a hierarchy. Beginning from the first and most basic level, the four branches are: Perception of emotions, integration and assimilation of emotions, knowledge and understanding of emotions, and management of emotions. EI predicts performance in a number of areas including work performance and academic performance and is particularly important in jobs that involve a lot of social interaction and emotional labor.

Motivation is a critical dimension of capacity, defined as "the ability of people, institutions and societies to perform functions, solve problems and set and achieve objectives". Incentives and incentive systems are fundamental to developing capacities and to translating developed capacities into better performance. The focus of this paper is on the incentive systems that influence motivation and behavior of people or larger system performance for pro-poor action and development outcomes. Incentive systems and motivations are critical for capacity development as they enable individuals and organizations to perform their functions effectively, efficiently and sustainable- While it is important, motivation alone does not dictate all of a person's behavior. A person's ability clearly also matters, and so do factors like the resources a person is given to do his or her job. Successful work performance can arise from a variety of motives. Two people doing similar jobs may both be successful but for very different motives. For example, one salesperson may be motivated by the commission earned on sales, while another may be more concerned about rising to the challenge of meeting sales targets, perhaps for his or her own satisfaction, or perhaps because of a desire to please the boss.

In most workplaces, incentive and performance management systems reward some aspects of work behavior more than others. Also, different behaviors may be rewarded in different ways, and particular ways may suit some people better than others.

3.4.2 DEFINING MOTIVATION

According to Butkus & Green (1999), motivation is derived from the word "motivate", means to move, push or persuade to act for satisfying a need. Baron (1983) defined motivation in his own right. He says that "motivation is a set of process concerned with a kind of force that energizes behavior and directs it towards achieving some specific goals. Many writers have expressed motivation is goal directed behavior. This objective nature of motivation is also suggested by Kreitner and Kinicki (2001, p. 162) put forward that motivation represents "those psychological processes that cause the stimulation, persistence of voluntary actions that are goal directed".

In another terms, a motivated person have the awareness of specific goals must be achieved in

specific ways, therefore he/she directs its effort to achieve such goals (Nel, et al., 2001). It means that motivated person is best fit for the goals that he/she wants to achieve as he/she is fully aware of its assumptions. Therefore if the roles of managers are assumed to successfully guide employees towards the organizational agenda of achieving its objectives, then it is very important for them to educate and understand those psychological processes and undertakings that root cause the stimulation, direction of destination, determination and persistence of voluntary actions (Roberts, 2005).

Mo1 (1992) differentiate between the terms 'movement' and motivation'. Movement carries out the task for compensation, remuneration in humans mind to act, while the term motivation is stapled with total involvement of a person in its tasks to carry out with excitements and happiness. In simple words, movement make person compel to carry out tasks, while motivation is self realized jubilant and pleasing act of carrying out specific tasks. The researcher emphasizes on motivation which is basis for the success because the person involved in it is very happy and voluntarily excited not for compensation. Motivation is reason for individuals' accomplishments to carry out the project La Motta (1995). There are many aspects of motivation in an organization, A person motivated by those aspects may not necessarily motivate another person gives reasons, because there are many different factors that affect motivation level of different employees.

On reaching the understanding and believing that people (employees) are naturally motivated, an organization simply provide the environment for their motivation to be enhanced and improved (Baron, 1983). It means that an organization is a better environment and working atmosphere provider, it only needs to believe that the people have the motivational behavior.

Lawler (2003) noted that different theories questioning why people prefer certain careers, why they seek particular rewards and why they feel satisfied or dissatisfied with their work and rewards.

These are some of the resonating questions that create so many assumptions and hypotheses to be researched. It is important to review the literature on motivation clarify the issues.

What it is and why it is important?

Motivation is an internal desire and force that drives us to accomplish tasks and goals. In the ideal situation, we learn, develop skills, and grow as individuals as we move towards these goals. So, as leaders, the growth and development of employees should be a major part of the planning process as we set goals with team members. But to do it effectively a leader needs to understand what motivates each team member. When a leader is able to motivate a team member and help them feel involved, positive results will begin to unfold.

Meaning

- Derived from Latin word which means to move.
- Motives are anything that initiates or sustains activity.
- Inner state of energies ,activities or moves and that directs or channels behavior towards goal.

Motivation

- The act or process of stimulating to action, providing an incentive or motive, especially for an act.
- The process that account for an individual's intensity, direction and persistence of effort toward attaining a goal.
  The psychological forces that determine the direction of a person's behavior in an organization, a person's level of effort, and a person's level of persistence.

The Nature of Motivation

- **Direction**: toward beneficial goal.
- Exactly what behaviors, and at what level of accomplishment, are we talking about? It is very important to be clear about this. We might describe a person as unmotivated because he or she avoids work, but perhaps this avoidance behavior is very well motivated –
- That is, the person goes to a lot of trouble to avoid work.
- **Effort** - how hard a person tries.
- How much of his or her psychological and/or physical capacity is a person devoting to the behavior in question?
- **Persistence** – how long a person a person tries (whether the individual will keep trying or give up).
- For how long does a person maintain his or her effort and direction?

Types of Needs

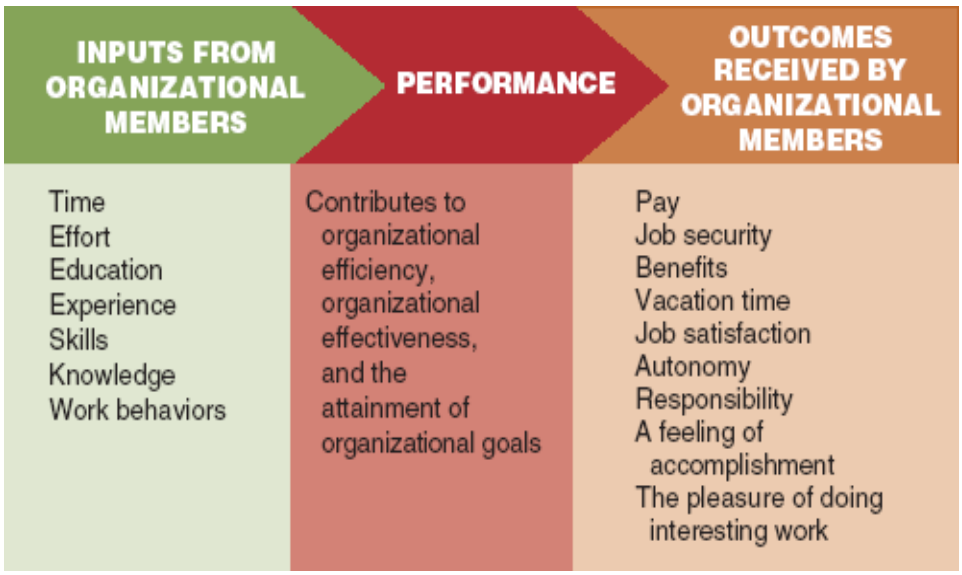
- Generic goals - Physiological needs that are considered primary needs.
- Product Specific Goals - Generally psychological needs that are considered secondary needs.

Motives

- It is a lack, a force.
- Motives give direction to human behavior.
- The motivation people depends on the motives.
- As a result, motive is the kingpin of motivation…

3.4.3 THE MOTIVATION EQUATION

Figure 3.4.1: Motivation equation

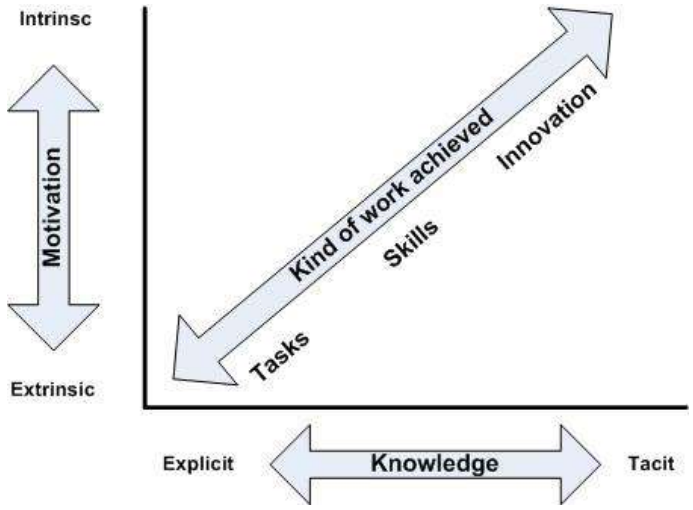


Source: Military Leadership, 1993.

Motivation is the combination of a person's desire and energy directed at achieving a goal. It is the cause of action. Influencing people's motivation means getting then to want to do what you know must be done (Military Leadership, 1993).

Motivation is the combination of a person's desire and energy directed at achieving a goal. It is the cause of action. Motivation can be **intrinsic**, such as satisfaction and feelings of achievement; or **extrinsic**, such as rewards, punishment, and goal obtainment. Not all people are motivated by the same thing and over time their motivations might changes.

3.4.4 MODEL OF THE MOTIVATION PROCESS



Intrinsic motivation

- Intrinsic motivation comes from pleasure provided by the work itself.
- The performance of a task for its own sake.
- It values rewards gained through the process of task completion, regardless of any external rewards.

Extrinsic motivation

- It comes from the pleasure of a reward.
- The pursuit of some reward external to the completion of the task, such as good grades.
- It is believed to undermine intrinsic motivation; individuals will often lose their intrinsic interest in a task if the task is seen as a means to an end.

»Extrinsic motivation is caused by positive and negative incentives. Carrots and sticks. These are most effective when people are in need or afraid. Well-fed people do not jump for carrots, and self-confident people do not allow bosses to beat them.« (Michael Maccoby ,Why Work).

Motivation as Calculation
Like goal-setting, some other theories of motivation portray people as purposeful beings who analyze the probable consequences of their actions before undertaking them. However, they do not assume that goal achievement is a sufficient reward in itself to drive behavior. For example, expectancy theory suggests that people make calculations about three things:

1. Whether they think they are capable of performing a particular behavior?
2. Whether they think the behavior will lead to any identifiable consequences, such as rewards or punishments?
3. How much they value these consequences?

3.4.5 THEORIES ABOUT MOTIVATION

Early approaches to motivation

Thousands of years before the word motivation entered the manager's vocabulary,
people realized the importance of influencing workers to accomplish tasks for an organization. The oldest technique used to motivate others is known today as the Carrot and Stick method. The name evolved from the stubbornness of donkeys who could only be moved by taunting them with a carrot. Early managers regularly offered economic "carrots" to entice people to work harder. This technique was passed on from generation to generation and was a deeply rooted part of society for hundreds of years. This theory created a misconception that money always motivated a person to work harder. More often, managers were beginning to realize that the methods of the past where not effective. The awakening field of psychology was looking for new ways to motivate people, and in a short time, managers would begin looking to psychologists for new methods of management.

Early attempts to combine psychological theory to management were rejected. The news of Sigmund Freud's radical postulate of the unconscious mind was rapidly spreading through Europe and heading toward America, but was dismissed by managers (HoughtonMifflin, 1992). It was not until 1923 when Elton Mayo made clear the inadequacy of the pure carrot-and-stick motivation that psychological theory began to trickle into management. Performing an experiment in a Philadelphia textile mill, Mayo concluded that the reason for the low productivity was that spinners had few opportunities to communicate with one another. Financial incentives failed to increase productivity (Simon and Schuster, 1993). Mayo felt that the solution to this productivity problem was to change the atmosphere of the workplace. The introduction of 2 ten-minute breaks for the spinners produced immediate and dramatic results. Morale improved and output increased tremendously (Mescon). The spinner experiment confirmed Mayo's belief that it was important for managers to take into account the psychology and well being of the worker. A new era of partnership between managers and psychology was now underway.

Maslow’s Hierarchy of Needs categorizes some of the motivating factors in people’s lives as: Psychological Needs, Safety (Security) Needs, Social Needs, Esteem Needs, and Self-Actualization. The Hygiene Motivation theory by Herzberg continues with this idea with Maslow’s first three and a half being the hygiene.

A leader should keep in mind that motivating factors will change. If leaders are in tune with the current needs of their team members, they can more effectively motivate others. It becomes a win-win relationship when the organization can meet its own goals and tasks and the motivating needs of employee.

Let’s see what the psychologists and management theorists have to say.

The grand masters of motivational theory

Motivation is the driving force which causes us to achieve goals. Motivation is said to be intrinsic or extrinsic. The term is generally used for humans but, theoretically, it can also be used to describe the causes for animal behavior as well.

Motivational theories can be classified in two categories:

- content theories and
- Process theories.

Content theories revolve around the identification of inward needs, whereas process theories revolve primarily around why people behave as they do; incorporating such factors as perception and learning (Mescon). To understand content and process theories, one must first understand the meaning of two concepts fundamental to both: needs and rewards. Psychologists say a person has a need when that individual perceives a physiological or psychological deficiency. (Knghts and Willmott 2007)Although a person may not be conscience of perceiving that need at a particular time, it will still affect them. Content theories represent efforts to classify these common needs with specific categories. Most psychologists agree that needs can generally be classified as either primary of secondary (Mescon, p. 66).

There are a lot of theories that explain motivation. The most important ones are below:

1. "Theory X and Theory Y" of Douglas McGregor
2. Frederick Herzberg's motivation-hygiene theory
3. Jeremy Bentham's "The Carrot and the Stick Approach
4. Clayton Alderfer's ERG Theory
5. Maslow's Hierarchy Of Needs
6. Adams Equity Theory
7. Vroom's Expectancy Theory
8. Goal-Setting Theory

Content theories

Content theory explains why human needs change with time. Content theories explain the specific factors that motivate people. In other words, they answer the question What drives behavior? (Weightman, 2008). It is important to remember that the following are theories, none of which have been conclusively shown to be valid. Nonetheless, they are helpful in providing a contextual framework for dealing with individuals. The most important content theories are below:

1. Alderfer's ERG Theory
2. Herzberg's Motivation-Hygiene Theory
3. Maslow's Hierarchy of Needs
4. McClelland's Acquired Needs Theory
5. Mumford's Needs:
6. Veroff's Taxonomy
7. Jeremy Bentham's "The Carrot and the Stick Approach
8. "Theory X and Theory Y" of Douglas McGregor

Content theories of motivation focus on factors internal to the individual that energize and direct behavior. In general, such theories regard motivation as the product of internal drives that compel an individual to act or move toward the satisfaction of individual needs. The content theories of motivation are based in large part on early theories of motivation that traced the paths of action backward to their perceived origin in internal drives.

Maslow's Hierarchy of Needs

The ideas of Abraham Maslow, a humanistic psychologist, have had a considerable influence on management thinking since the late 1940s. Like Carl Rogers, another humanistic thinker, Maslow had a positive view of human nature, a belief in the individual's potential for personal growth –what they called self-actualization.

One of Maslow's great contributions was his Hierarchy of Needs, which sees people as having a set of needs which they are motivated to satisfy. These form a hierarchy which can be displayed visually as a pyramid.

Maslow suggested that needs only motivate people when they are unsatisfied. When applied to his hierarchy lower-order needs (basic physical needs, comfort, safety and security) have to be satisfied before higher-order needs (self-esteem and personal growth) assert themselves.

How does this apply in practice? If your stomach is protesting loudly that you need food, then you are likely to find reading this article a real struggle. Your lower-order physiological needs are asserting themselves. If you are hungry, your needs for self-development temporarily takes a back seat.

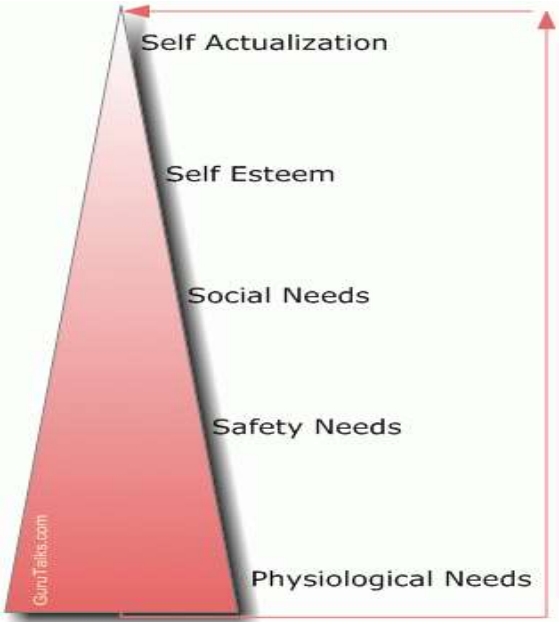
How does this apply to your workplace? If you make sure your workforce is getting its basic physical and safety needs met (reasonable working conditions, job security, etc.) what will this mean?

Will this mean that employees will now be ready and willing to work with colleagues to meet corporate objectives? Clearly, life is not as simple as this. Applying Maslow's Model, employees are likely to work towards company goals only where these are in harmony with their own personal goals.

Also, following the hierarchy to its logical conclusion, once a certain set of needs are met, the next level will be achieved. Employees will never be satisfied until they have scaled the heights of the hierarchy.

Abraham Maslow has probably influenced the teaching of management more than any other motivational theorist. He identified five basic needs that, he maintained we all strive to fulfill in our work as well as in the other aspects of our lives. Then he arranged the five needs into a hierarchy, the lowest being purely physical and the highest transcendent.

Herzberg's Motivation-Hygiene Theory



=becoming all one is capable of being

=self-respect and respect from others

=belongingness and love

=security, stability, structure

=food, drinks, sex.
freedom from pain.

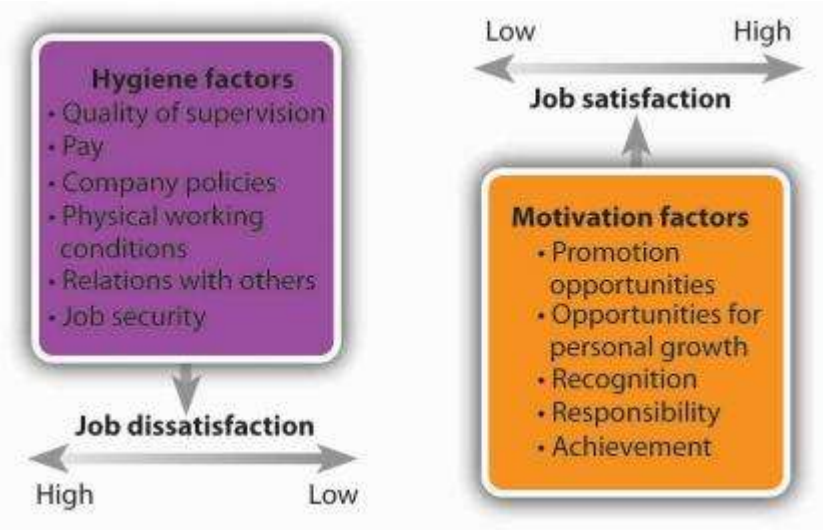
Various researchers have followed up on Maslow's ideas as they apply in the workplace. Fred Herzberg's two-factor theory is based on looking at the main factors which result in either satisfying or dissatisfying experiences at work. The assumption is that if the individual is satisfied in their work, that this will mean good performance, or, at the very least, a willingness to stay on the job.

Factors leading to dissatisfaction were found to do with conditions pf work – company policy and administration, technical supervision, salary, interpersonal relations and physical working conditions. Herzberg called these the hygiene or maintenance factors. These are a necessary minimum for a

healthy workplace – they make people come into work and stay there, but they don't necessarily encourage people to be productive. It is the other factors, the 'satisfiers' or 'motivators' – achievement, recognition, the work itself, responsibility, advancement – that encourage people to work harder. Interpreted in Maslow's terms, hygiene factors allow us to satisfy our basic needs and avoid pain, while motivators reflect people's need for esteem and self-fulfillment.

While the proponents of each point out significant differences between Maslow's Hierarchy and Herzberg's Motivation-Hygiene Theory, for most managers moving from Maslow to Herzberg isn't much of a leap. They both describe the same kinds of needs. Instead of arranging these needs in a hierarchy, however, Herzberg divided them all into two categories, labeled hygiene factors and motivators

Alderfer's erg theory



The hygiene factors make up the job context.

The motivators are all related to the job context.

The ERG theory is an extension of Maslow's hierarchy of needs. Alderfer suggested that needs could be classified into three categories, rather than five. These three types of needs are existence, relatedness, and growth. Existence needs are similar to Maslow's physiological and safety need categories. Relatedness needs involve interpersonal relationships and are comparable to aspects of Maslow's belongingness and esteem needs. Growth needs are those related to the attainment of one's potential and are associated with Maslow's esteem and self-actualization needs.

The ERG theory differs from the hierarchy of needs in that it does not suggest that lower-level needs must be completely satisfied before upper-level needs become motivational. ERG theory also suggests that if an individual is continually unable to meet upper-level needs that the person will regress and lower-level needs become the major determinants of their motivation. ERG theory's implications for managers are similar to those for the needs hierarchy: managers should focus on meeting employees' existence, relatedness, and growth needs, though without necessarily applying the proviso that, say, job-safety concerns necessarily take precedence over challenging and fulfilling job requirements.

The major conclusions of this theory are below:

1 In an individual, more than one need may be operative at the same time.
2 If a higher need goes unsatisfied than the desire to satisfy a lower need intensifies.
3 It also contains the frustration-regression dimension.

McClelland's Acquired Needs Theory

David McClelland has developed a theory on three types of motivating needs:

1 Need for Power
2 Need for Affiliation
3 Need for Achievement

Basically people for high need for power are inclined towards influence and control. They like to be at the center and are good orators. They are demanding in nature, forceful in manners and ambitious in life. They can be motivated to perform if they are given key positions or power positions.

In the second category are the people who are social in nature. They try to affiliate themselves with individuals and groups. They are driven by love and faith. They like to build a friendly environment around themselves. Social recognition and affiliation with others provides them motivation.

People in the third area are driven by the challenge of success and the fear of failure. Their need for achievement is moderate and they set for themselves moderately difficult tasks. They are analytical in nature and take calculated risks. Such people are motivated to perform when they see at least some chances of success.

McClelland observed that with the advancement in hierarchy the need for power and achievement increased rather than Affiliation. He also observed that people who were at the top, later ceased to be motivated by this drives.

Theory X and Theory Y of Douglas McGregor

McGregor, in his book "The Human side of Enterprise" states that people inside the organization can be managed in two ways. The first is basically negative, which falls under the category X and the other is basically positive, which falls under the category Y. (Richard M., Lyman W. Porter). After viewing the way in which the manager dealt with employees, McGregor concluded that a manager's view of the nature of human beings is based on a certain grouping of assumptions and that he or she tends to mold his or her behavior towards subordinates according to these assumptions.

Under the assumptions of theory X:

- Employees inherently do not like work and whenever possible, will attempt to avoid it.
- Because employees dislike work, they have to be forced, coerced or threatened with punishment to achieve goals.
- Employees avoid responsibilities and do not work fill formal directions are issued.
- Most workers place a greater importance on security over all other factors and display little ambition.

In contrast under the assumptions of theory Y:

- Physical and mental effort at work is as natural as rest or play.
- People do exercise self-control and self-direction and if they are committed to those goals.
- Average human beings are willing to take responsibility and exercise imagination, ingenuity and creativity in solving the problems of the organization.
- That the way the things are organized, the average human being's brainpower is only partly used.

On analysis of the assumptions it can be detected that theory X assumes that lower-order needs dominate individuals and theory Y assumes that higher-order needs dominate individuals. An organization that is run on Theory X lines tends to be authoritarian in nature, the word "authoritarian" suggests such ideas as the "power to enforce obedience" and the "right to command." In contrast Theory Y organizations can be described as "participative", where the aims of the organization and of the individuals in it are integrated; individuals can achieve their own goals best by directing their efforts towards the success of the organization.

However, this theory has been criticized widely for generalization of work and human behavior.

Mumford's Needs

Mumford (1976) assumed that employees did not simply see their job as a means to an end by had needs which related to the nature of their work.

- Knowledge needs
- Work that utilize their knowledge and skills.
- Psychological needs
- Such as recognition, responsibility, status and advancement.
- Task needs
- Which include the need for meaningful work and some degree of autonomy?
- Moral needs
- To be treated in the way that employers would themselves wish to be treated.

Veroff's Taxonomy

Achievement motivation is about the way we are motivated to achieve certain goals. Depner and Veroff (1979) describe a set of goal types, based on whether:

- Evaluation of success is self-derived, compared against a social standard, or is found in the demands of the task.
- The standard is based on the process of achieving or in the impact of the final outcome.

The taxonomy is:

- Autonomous goals (self-derived, process)
- Power goals (self-derived, impact)
- Responsibility goals (social, process)
- Competitive goals (social, process)
- Competence goals (task, process)
- Task goals (task, impact)

Jeremy Bentham's "the carrot and the stıck approach"

Possibly the essence of the traditional view of people at work can be best appreciated by a brief look at the work of this English philosopher, whose ideas were also developed in the early years of the Industrial Revolution, around 1800. Bentham's view was that all people are self-interested and are motivated by the desire to avoid pain and find pleasure. Any worker will work only if the reward is big enough, or the punishment sufficiently unpleasant. This view - the 'carrot and stick' approach - was built into the philosophies of the age and is still to be found, especially in the older, more traditional sectors of industry (Steers, Richard M., Lyman W. Porter, and Gregory; 1996).

The various leading theories of motivation and motivators seldom make reference to the carrot and the stick. This metaphor relates, of course, to the use of rewards and penalties in order to induce desired behavior. It comes from the old story that to make a donkey move, one must put a carrot in front of

him or dab him with a stick from behind. Despite all the research on the theories of motivation, reward and punishment are still considered strong motivators. For centuries, however, they were too often thought of as the only forces that could motivate people.

At the same time, in all theories of motivation, the inducements of some kind of 'carrot' are recognized. Often this is money in the form of pay or bonuses. Even though money is not the only motivating force, it has been and will continue to be an important one. The trouble with the money 'carrot' approach is that too often everyone gets a carrot, regardless of performance through such practices as salary increase and promotion by seniority, automatic 'merit' increases, and executive bonuses not based on individual manager performance. It is as simple as this: If a person put a donkey in a pen full of carrots and then stood outside with a carrot, would the donkey be encouraged to come out of the pen ?

The 'stick', in the form of fear–fear of loss of job, loss of income, reduction of bonus, demotion, or some other penalty–has been and continues to be a strong motivator. Yet it is admittedly not the best kind. It often gives rise to defensive or retaliatory behavior, such as union organization, poor-quality work, executive indifference, failure of a manager to take any risks in decision making or even dishonesty. But fear of penalty cannot be overlooked. Whether managers are first-level supervisors or chief executives, the power of their position to give or with hold rewards or impose penalties of various kinds gives them an ability to control, to a very great extent, the economic and social well-being of their subordinates.

Process theories

Process theories of motivation focus on conscious human decision processes as an explanation of motivation. The process theories are concerned with determining how individual behavior is energized, directed, and maintained in the specifically willed and self-directed human cognitive processes. Process theories of motivation are based on early cognitive theories, which posit that behavior is the result of conscious decision-making processes. The major process theories of motivation are **expectancy theory, equity theory, goal-setting theory, and reinforcement theory.**

Process theories of motivation are about a cognitive rational process and concentrate on the psychological and behavioral processes that motivate an individual. Put simply, this is all about how people's needs influence and drive their behavior. People need to see what is in it for them and to sense that "fair play" is being exercised to all concerned. Clearly a basic understanding of this is foundational to the psychological underpinning of successful change management and the strategies for managing change that will deliver that. These theories also totally support and underpin the findings and practical observations of Goleman, Katzenbach, Pearson, Axelrod and others referred to in Inspirational Motivation and the research and thought leadership highlighted in Leading Change.

Expectancy theory

In the early 1960s, Victor Vroom applied concepts of behavioral research conducted in the 1930s by Kurt Lewin and Edward Tolman directly to work motivation. Basically, Vroom suggested that individuals choose work behaviors that they believe lead to outcomes they value. In deciding how much effort to put into a work behavior, individuals are likely to consider:

- Their expectancy, meaning the degree to which they believe that putting forth effort will lead to a given level of performance.
- Their instrumentality or the degree to which they believe that a given level of performance will result in certain outcomes or rewards.
- Their valence, which is the extent to which the expected outcomes are attractive or unattractive.

All three of these factors are expected to influence motivation in a multiplicative fashion, so that for an individual to be highly motivated, all three of the components of the expectancy model must be high.

And, if even one of these is zero (e.g., instrumentality and valence are high, but expectancy is completely absent), the person will have not motivation for the task. Thus, managers should attempt, to the extent possible, to ensure that their employees believe that increased effort will improve performance and that performance will lead to valued rewards.

In the late 1960s, Porter and Lawler published an extension of the Vroom expectancy model, which is known as the Porter-Lawler expectancy model or simply the Porter-Lawler model. Although the basic premise of the Porter-Lawler model is the same as for Vroom's model, the Porter-Lawler model is more complex in a number of ways. It suggests that increased effort does not automatically lead to improved performance because individuals may not possess the necessary abilities needed to achieve high levels of performance, or because they may have an inadequate or vague perception of how to perform necessary tasks. Without an understanding of how to direct effort effectively, individuals may exert considerable effort without a corresponding increase in performance.

Equity theory

Equity theory suggests that individuals engage in social comparison by comparing their efforts and rewards with those of relevant others. The perception of individuals about the fairness of their rewards relative to others influences their level of motivation. Equity exists when individuals perceive that the ratio of efforts to rewards is the same for them as it is for others to whom they compare themselves. Inequity exists when individuals perceive that the ratio of efforts to rewards is different (usually negatively so) for them than it is for others to whom they compare themselves. There are two types of inequity—under-reward and over-reward.(Vroom, Victor, 1964). Under-reward occurs when a person believes that she is either puts in more efforts than another, yet receives the same reward, or puts in the same effort as another for a lesser reward. For instance, if an employee works longer hours than her coworker, yet they receive the same salary, the employee would perceive inequity in the form of under-reward. Conversely, with over-reward, a person will feel that his efforts to rewards ratio is higher than another person's, such that he is getting more for putting in the same effort, or getting the same reward even with less effort. While research suggests that under-reward motivates individuals to resolve the inequity, research also indicates that the same is not true for over-reward. Individuals who are over-rewarded often engage in cognitive dissonance, convincing themselves that their efforts and rewards are equal to another's (Simon and Schuster, 1993).

According to the equity theory, individuals are motivated to reduce perceived inequity. Individuals may attempt to reduce inequity in various ways. A person may change his or her level of effort; an employee who feels under-rewarded is likely to work less hard. A person may also try to change his or her rewards, such as by asking for a raise. Another option is to change the behavior of the reference person, perhaps by encouraging that person to put forth more effort. Finally, a person experiencing inequity may change the reference person and compare him or herself to a different person to assess equity. For managers, equity theory emphasizes the importance of a reward system that is perceived as fair by employees.

Goal-setting theory

The goal-setting theory posits that goals are the most important factors affecting the motivation and behavior of employees. This motivation theory was developed primarily by Edwin Locke and Gary Latham. Goal-setting theory emphasizes the importance of specific and challenging goals in achieving motivated behavior. Specific goals often involve quantitative targets for improvement in a behavior of interest. Research indicates that specific performance goals are much more effective than those in which a person is told to "do your best." Challenging goals are difficult but not impossible to attain. Empirical research supports the proposition that goals that are both specific and challenging are more motivational than vague goals or goals that are relatively easy to achieve (Wright, Patrick M. and Raymond A. Noe., 1996).

Several factors may moderate the relationship between specific and challenging goals and high levels of motivation. The first of these factors is goal commitment, which simply means that the more

dedicated the individual is to achieving the goal, the more they will be motivated to exert effort toward goal accomplishment. Some research suggests that having employees participate in goal setting will increase their level of goal commitment. A second factor relevant to goal-setting theory is self-efficacy, which is the individual's belief that he or she can successfully complete a particular task. If individuals have a high degree of self-efficacy, they are likely to respond more positively to specific and challenging goals than if they have a low degree of self-efficacy.

Reinforcement theory

This theory can be traced to the work of the pioneering behaviorist B.F. Skinner. It is considered a motivation theory as well as a learning theory. Reinforcement theory posits that motivated behavior occurs as a result of reinforces, which are outcomes resulting from the behavior that makes it more likely the behavior will occur again (Steers, Richard M., Lyman W. Porter, and Gregory A. Bigley;1996). This theory suggests that it is not necessary to study needs or cognitive processes to understand motivation, but that it is only necessary to examine the consequences of behavior. Behavior that is reinforced is likely to continue, but behavior that is not rewarded or behavior that is punished is not likely to be repeated. Reinforcement theory suggests to managers that they can improve employees' performance by a process of behavior modification in which they reinforce desired behaviors and punish undesired behaviors.

3.4.6 ADDITONAL PERSPECTIVES ON MOTIVATION

Cognitive Evaluation Theory:

When looking at task, we evaluate it in terms of how well it meets our needs to feel competent and in control. If we think we will be able to complete the task, we will be intrinsically motivated to complete the task, requiring no further external motivation.

Where a person has a stronger internal locus of control they will feel they are in control of how they behave. Where they have a stronger external locus of control, they will believe the environment or others have a greater influence over what they do (Deci and Ryan, 1985).

People may see external rewards as achieving some degree of control over them or may see the reward as informational, such as where they reinforce feelings of competence and self-determination. When people see the reward as mostly for control they will be motivated by gaining the reward but not by enacting the requested behavior.

Cognitive Evaluation is occasionally also called Self-Perception Theory.

Intrinsic motivation

Intrinsic motivation is when I am motivated by internal factors, as opposed to the external drivers of extrinsic motivation. Intrinsic motivation drives me to do things just for the fun of it, or because I believe it is a good or right thing to do. There is a paradox of intrinsic and extrinsic motivation. Intrinsic motivation is far stronger a motivator than extrinsic motivation, yet external motivation can easily act to displace intrinsic motivation (Deci, E.L. & Ryan, R.M., 1991.

Example: Most people's hobbies are intrinsically motivated. Notice the passion with which people collect little bits of china or build detailed model ships. Few people carry that amount of passion into their workplace.

Social Aspects of Motivation

Arguably, the work characteristics discussed above neglect social contact with others at work. People differ in how much social contact they want at work, but for most people, highly isolated jobs are unwelcome. Some organizations that might be described as paternalistic try to nurture people's sense of belonging and identity in the belief that this taps into people's basic motives.

3.4.7 A MOTIVATION STUDY

The Hawthorne Studies conducted by Elton Mayo is an example of how a change in the environment increased productivity. The scientists were studying the effect of light on production in a factory. They thought that light was a contributing factor to productivity levels but later realized, employees were producing more results because they felt needed, not they were a part of something, and were receiving attention. What these people wanted was social need and esteem rather than light. They needed to be involved and associate with others. Isn't it extraordinary how powerful the need for social affiliation was in this situation.

Motivation Through Work Design

Many theories of motivation over the years have assumed or asserted that most people want self-expression and development from their work. Hence work can be made motivating if it gives a person the opportunity to:

- Use his or her skills.
- Do whole pieces of work rather than fragments of a bigger task.
- Do work which has a discernible impact on other people.
- Make his or her own decisions about how and/or when the work should be done.
- Discover how well he or she is doing.

This approach defines the direction component of motivation as individuals' completion of work tasks, and focuses on how effort and persistence in doing them can be fostered. The assumption that people want challenging work is not always borne out, but more often than not it seems accurate. But in many workplaces, factors such as a lack of trust, a desire for control, and cost implications make managers reluctant to redesign work to include the desirable motivational features described above.

The Smartest Things are that...

- Intrinsic motivation comes from pleasure provided by the work itself.
- Extrinsic motivation comes from the pleasure of a reward.
- Abraham Maslow one of the most influential motivational theorists, defined a hierarchy of human needs, and maintained that each of us is motivated by our lowest unmet need.
- Frederick Herzberg, another prominent theorists, recognized two kinds of needs: hygiene factors that come from job environment and motivators that are related to job context.

An Eyewitness Report

Some one was involved in a training initiative for a company. There was one station in particular which experienced tremendous results year after year. We spent the day diagnosing why this station was so effective. We found that its success was directly tied to the leader's ability to motivate the team. This stations manager would arrive daily at 8:00 a.m. But before going to his office and attacking his "in-basket" he would walk through the station and talk with his team members. It wasn't necessarily about business issues. He would ask about their family, or joke about a recent sporting event. This leader was developing his team and motivating them through regular interaction. In turn, because they were involved and felt a part of a team, they produced extraordinary results. Basic human interaction

and a sincere concern from leaders can motivate and develop followers. It is simple things that lead to tremendous results.

3.4.8 PERFORMANCE

Definition. According to Newstrom, ‘’It is the process of evaluating the performance of employees, sharing that information with them and searching for ways to improve their performance’’

The Meaning of Performance

- It’s a multidimensional construct, the measurement of which varies, depending on a variety of factors.

Purpose of performance managing

- Better results from organization depend on understanding and managing performance within an agreed frame work of planned, organizations and competence requirements.
- It involves strategic use of measures and standards to establish targets and goals to prioritize and allocate resources,to inform managers about needed adjustments changes program directions to meet goals ,to frame reports on the success in meeting goals.

Performance components include;

1. Standards: establishment of organizational targets and goals.
2. Measures: application and use of performance indicators.
3. Reporting of progress: documentation and reporting of progress in meeting standards and targets ,sharing of such information through feedback
4. Quality improvement: establishment of a process and achieve quality improvement programs or infrastructure based on performance standards, measurements and reports.

A managing of performance is the continuous use of all the above practices so that they are integrated into the organization’s core operations.

At the same time Performance Management is the systematic process by which an agency involves its employees, as individuals and members of a group, in improving organizational effectiveness in the accomplishment of agency mission and goals.

Smart goals are...

- Spesific and clearly state the desired results.
- Measurable in answering ‘how much’.
- Attainable, and not too tough or too easy.
- Relevant to what’s to be achieved.
- Timely in reflecting deadlines and milestones.

The total formation of performance

- ‘’What is our strategy? and what are our goals?’’
- ‘’What does this mean for the goals?’’
- ‘’How we train, appraise, promote and reward for them?’’

3.4.9 WHAT'S THE RELATIONSHIP BETWEEN MOTIVATION AND PERFORMANCE

The relationship between motivation and performance is often talked about but not many organizations are making concrete efforts to study it in detail and thus ending up walking in the blind alley rather than taking decision based on the findings and instigators.

Managers believe that motivation is just psyching up employees to give superior performance. It is no greater than old way of continuous supervision, after a time an employee no more is enthused about the prep talk, dangling carrot of increased incentives or histrionics of how the organization is making the world go round to further their career.

The measuring tools of the relationship are also rudimentary one; most organizations believe that their motivation strategies are working if there is lesser dis-satisfaction among employees and high retention rate.

The benchmark may shed some light in the hey days or economic boom but in the fast approaching stagnating economic conditions managements has to look beyond the tried and tested method. The key is to integrate people, process, technology and building a symbiotic environment where motivation comes from what an employee does in an organization than what he is told.

The processes should be designed to enable employees to put in work their knowledge, skill and expertise. The results should be transparent enough so that an individual don't have to look for higher authorities to interpret the performance. Finally each individual should be treated as an individual not a cog in wheel. Time has come when people should be focus of business rather than technology, machinery and results. People deliver results when they know how they can increase their ability and opportunity in an organization not when they were told why they have to. The reason for it is inherently all human being know what to expect not only from themselves but also from the organizations. Congruence of these two needs can motivate employees to give their best rather than that pot of commission.

3.4.10 HOW TO ACHIEVE THE GREATEST MOTIVATION AND PERFORMANCE?

Goals that are too easy or too difficult negatively affect motivation and performance. The greatest motivation and performance is achieved with moderately difficult goals (somewhere between *too easy* and *too difficult*).

- The difficulty of a goal affects the motivation and commitment of the individual impacting performance. The basic idea is that the more challenging the goal, the more committed and motivated the person must be, and thus the better the performance (Redmond, 2010).
- The highest level of effort occurs when the task is moderately difficult and the lowest level occurs when the task is either very easy or very hard (Locke & Latham, 2002, p. 705).
- An easy goal will be perceived as an unnecessary thing to do, therefore, enthusiasm to attain the goal will dwindle. Furthermore, goals that are too difficult come with obstacles that often discourage motivation.
- For an individual it is both the perception and the reality of the greater needs associated with a challenging goal that leads to the motivation and commitment to exert more effort. A goal that is challenging, but attainable, can increase a person's motivation for the task, but when given a task with the appropriate difficulty level and specificity, how the task is established (participative or assigned) is not a differentiating factor.
- Gergen and Vanourek (2009) suggest setting "BHAGs- "big, hairy, audacious goals" - that really stretch us" (p. B03). Finding the correct balance between ambitious but achievable is crucial in setting a goal.

- The figure below illustrates how difficulty level affects motivation and performance:

3.4.11 CONCLUSION

Motivation is the key to performance improvement.
Performance is considered to be a function of ability and motivation, thus :
Job Performance = f(ability)(motivation)

We must not to pigeonhole people by adopting certain attitudes, but must take into account the situation that makes the person act that way.

Motivation can be defined as the desire that individuals have to make efforts towards the goals that have organizations while meeting individual needs. Motivated individuals seeking to achieve their goals and are unlikely to encounter negative results affecting the personal status. It is said that people are motivated in constant tension and release this feeling through the effort. Individual needs must also be compatible with the company to connect and get the most use of each other.

During the study which has been the motivation have been developed several theories about it in context which have been attacked and challenged at present, most made during the fifties and are the basis of current theories and still used by managers to explain the concepts of motivation.

- Theory of hierarchy of needs (Abraham Maslow). The best known of which stipulates that a man has needs hierarchized:

    1. Physiological. Physical hunger, thirst, sex.
    2. Security. Protecting the physical and emotional harm.
    3. Social. Acceptance, friendships, affection.
    4. Esteem. Internal, being autonomous, achievement and the environment surrounding the person.
    5. Self. Become what it is capable of turning in the same effort, the satisfaction that one causes the effective way of doing things.

Maslow divided needs of a low (physiological needs and safety) and high-order (social, esteem and self), differ in that the higher level are met internally and Low externally.

- Theory X and Theory Y. Created by Douglas McGregor proposed two positions which the human being an extremely anti-theory X (negative) and a (positive) theory Y. Gregor established according to theory X, all four premises managers adopted. For employees dislike work and therefore seek to avoid it. Because they do not like working there under their control, repress and be threatened. The employees sought to avoid responsibility and seek formal direction whenever possible. Most of the workers consider safety first and do not show a good motivation and the theory Y: The employees are at work how to relax. If employees are committed to their goals they are directed through the support of management. Most people seek to meet the liability. The fact that you're not part of senior management does not preclude you from taking innovative decisions that benefit the company.

- The theory of motivation-hygiene. (Frederick Herzberg). Concluded that feels good when people respond in a way and it feels bad when he does it in different ways. This theory is a bit complex to the personal. I think it is that sometimes people are not satisfied with their work and there are situations that make the individual feel that way, managers in an effort to fix these errors alter the situation but not necessarily cause the employees motivation.

- ERG theory. (Clayton Alderfer). Three types of needs:

1. Exist (the same as Maslow, physiological and safety),
2. Relationship (the desire to interact with people in society) and
3. Growth (personal growth). There needs to meet the low level of such a high level of the hierarchy of needs.

- Theory David McClelland's needs. Three needs are the motivation behind. Achievement. The proportion of people who seek success through their efforts. Power. Make other people behave as one wants through a control. Affiliation. People relate to others seeking a friendly and cordial.

- Theory of cognitive assessment. Talk about the rewards that they are extrinsic manner as is wage can cause the level of motivation does not decrease because it takes into account the level of intrinsic satisfaction you get from the work the employee.

- Theory of setting goals. Argues that as a person to set specific and difficult goals lead to the greatest degree of individual satisfaction and thus a good motivation to continue believing in yourself.

- Theory of reinforcement. The internal situation of the individual is not taken into account but that is what happens to the individual with respect to actions taken within the company.

- Theory of fairness. This is based on the fact that an employee noted that the salaries are given and compared with other people seeking the largest amount of awards or bonuses preparing a trial of what they bring wing organization.

- Theory of expectations. A person has fulfilled expectations and seeks to comply with the fact and extents of rewards you get are so attractive to her.

Discussion questions

1. How can be motivation defined?
2. Why is it so important for the motivation to improve performance?
3. Which factors determine the performance ?
4. What's the relationship between motivation and performance ?
5. What is your opinion about effect of motivation in performance according to eyewitness Report?
6. Why are the content theory and process theory separated?
7. Why is it impossible to skip a step to move the higher step in Maslow's hierarchy of needs?
8. What is the affects of motivation on performance?
9. Why understanding of performance management contributes and facilitates one's daily life?
10. Why the first approach to motivation called as "Carrot and Stick"?

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3.5 STRESS

3.5.1 INTRODUCTION

Stress in the workplace is increasingly a critical problem for workers, employers and societies. Stress in the workplace is a growing concern in the current state of the economy, where employees increasingly face conditions of overwork, job insecurity, low levels of job satisfaction, and lack of autonomy. Workplace stress has been shown to have a detrimental effect on the health and wellbeing of employees, as well as a negative impact on workplace productivity and profits. There are measures that individuals and organizations can take to alleviate the negative impact of stress, or to stop it from arising in the first place. However, employees first need to learn to recognize the signs that indicate they are feeling stressed out, and employers need to be aware of the effects that stress has on their employees' health as well as on company profits

The pressures of modern life, coupled with the demands of a job, can lead to emotional imbalances that are collectively labeled stress. Not all stress in unpleasant. To be alive means to respond to the stress of achievement and the excitement of a challenge. In fact, evidence indicates that people need a certain amount of stimulation, and that monotony can bring on some of the same problems as overwork.

First of this chapter will be describe the stress concept and give four aspects of stress reactions. Second, it will split the log sources of stress. Third, it will overlook consequences of stress. Here will be describe the physiological, psychological and behavior consequences of stress, then it will overlook how stress can impact a person's health. In the fourth section will be explain how violence sabotage and burnout affect stressors in workplace. Then summarize research findings on the relationship between stress and performance. Moreover, refer to the effects of stress on other aspects of organizational behavior.

3.5.2 DEFINITION OF STRESS

Stress is an imprecise term. It is usually defined in terms of the internal and external conditions that create stressful situations, and the symptoms that people experience when they are stressed.

McGrath (1976) proposed a definition based on the conditions necessary for stress.
So there is a potential for stress when an environmental situation is perceived as presenting a demand that threatens to exceed the person's capabilities and resources for meeting it, under conditions where he expects a substantial differential in the rewards and costs from meeting the demand versus not meeting it.

McGrath's definition implies that the degree of stress is correlated with a person perceived inability to deal with an environmental demand. This would lead to the conclusion that a person's level of stress depends on their self-perceived abilities and self-confidence. Stress is correlated with a person's fear of failure.

Arnold and Feldman (1986) define stress as "the reactions of individuals to new or threatening factors in their work environment." Since our work environments often contain new situations, this definition suggests that stress in inevitable. This definition also highlights the fact that reactions to stressful situations are individualized, and can result in emotional, perceptual, behavioral, and physiological changes.

Williams and Huber (1986) define stress as "a psychological and physical reaction to prolonged internal and/or environmental conditions in which and individual's adaptive capabilities are overextended." They argue that stress is an adaptive response to a conscious or unconscious threat.

Like McGrath, they point out that stress is a result of a "perceived" threat, and is not necessarily related to actual environmental conditions. The amount of stress that is produced by a given situation depends upon one's perception of the situation, not the situation itself. In other words, stress is a relativistic phenomena.

In Gestalt Therapy Verbatim (Real People Press, 1969), Perls proposes a more general definition, where stress is a manifestation of thinking about the future. Anxiety is created by focusing attention away from the "here and now". It is created by expectations of the future--the tension between the now and the later. According to Perls, there is no difference between good stress and bad stress. They are both created by thinking about the future. When anxiety finds an outlet, we say that the stress was motivating; when it doesn't, we call it debilitating.

French, Kast, and Rosenzweig (1985) also emphasized the idea that stress itself is not necessarily bad. "The term stress can be considered neutral with the words distress and eustress used for designating bad and good effects." (p. 707). They propose a model that defines an optimum range of stress in terms of its effect on performance. Stress levels that exceed an optimum level result in decreased performance and eventual burnout. Stress levels below a minimum level result in decreased performance and "rust-out".

3.5.3 THE NATURE OF STRESS

Stress is the experience of opportunities or threats that people perceive as important and also perceive they might not be able to handle or deal with effectively (George, Jones, 1996).

First, stress can be experienced because of both opportunities and threats. An opportunity is something that has the potential to benefit a person. A threat is something that has the potential to harm a person. Opportunities such as learning new skills or getting a new job can be stressful if workers lack self-efficacy and fear that they will not be able to perform at an acceptable level. When an organization reduces the size of its work force, employees experience stress because of the treats to their financial security, psychological well-being, or career development that downsizing creates (George, Jones, 1996).

A second aspect of stress is that the treat or opportunity experienced is important to a person. By important we mean that it has the potential to affect a person’s well-being or the extent to which someone is happy, healthy, or prosperous. Many of the things that people encounter in their daily lives could be classified as opportunities or threats, but usually only the important ones result in stress (George, Jones, 1996).

A third key aspect of stress is uncertainty: The person who is experiencing an important opportunity or threat is not sure that they can effectively handle an opportunity or threat, they usually do not experience stress (George, Jones, 1996).

The last aspect of stress emphasized in our definition is that stress is rooted in perception. Whether people experience stress depends on how they perceive potential opportunities ant treats and how they perceive their capabilities to deal with them. One person might perceive a job change or a promotion as an opportunity for learning and career advancement, and another person might perceive the same job change or promotion as a threat because of the potential for failure (George, Jones, 1996).

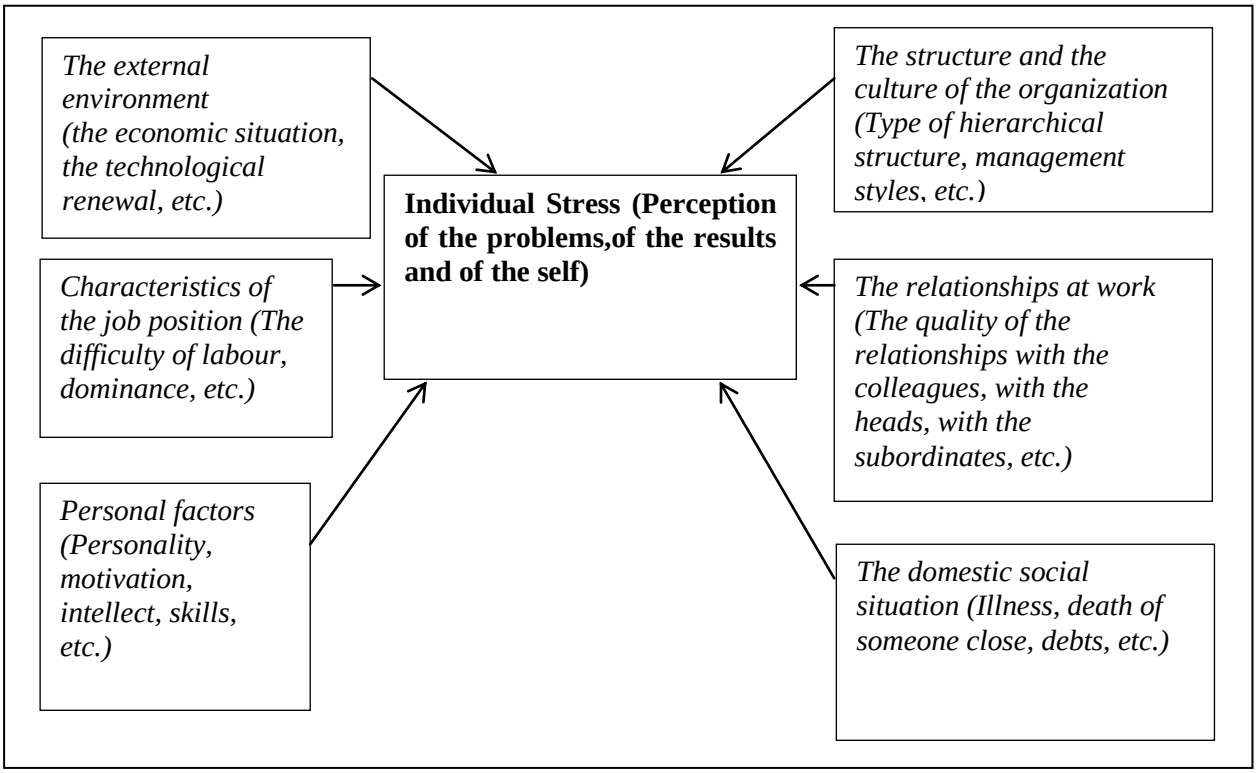
3.5.4 SOURCES OF STRESS

Cole, G. A. (2000) says that the sources of stress at work can be numerous: difficult working conditions, insufficient resources, increased accountability, job descriptions overload, short deadlines, etc. Of course, a poor defining of the jobs or a faulty organizational communication, can put the

employee in a situation of ambiguity of the role, not knowing what is expected of him and thus not being sure that the direction towards he is headed in the right one or not.

The changes that take place within the organization, the restructuring, the redundancies, the technological change, if not well managed, can easily become sources of stress, since the employees ask themselves if they will still be suited to new conditions, if they will still present interest to the organization or if they will be able to meet the new requirements (Cole, G. A., 2000).

Figure 3.1: Potential sources of stress



Source: Cole, G. A. (2000).

The Effective Manager lists (figure no. 5.3.2) common indicators that people may be experiencing excessive stress. The stressors, or things that cause this stress, may come from work, nonworking, or personal factors (Schermerhorn, J., Hunt J., Osborn, R., 1998).

Figure 3.2: The effective manager

Sings of Excessive Stress

Change in eating habits
Change in alcohol consumption or smoking
Unhealthy feeling – aches and pains, upset stomach
Restlessness, inability to concentrate, sleeping problems
Feeling tense, uptight, fidgety, nervous
Feeling disoriented, overwhelmed, depressed, irritable

Stress in the workplace arises from many sources. It can result from excessively high or low task demands, role conflicts or ambiguities, poor interpersonal relations, or career progress that is either too slow or too fast. A list of common work-related stressors includes (Schermerhorn J., Hunt J., Osborn R. 1998):

- Task demands – being asked to do much too much or too little.
- Role ambiguities – not knowing performance expectations or work standards.
- Role conflicts – experiencing multiple and possible conflicting performance expectations.
- Ethical dilemmas – being asked to do illegal things; being asked to do things that violate personal values.
- Interpersonal problems – experiencing poor relationships, working with others who do not get along.
- Career developments – moving too fast and feeling overwhelmed; moving too slowly and feeling plateaued.
- Physical setting – being bothered by unhealthy or unpleasant working conditions.

A less obvious, but still very important source of stress for people at work is the ''spillover'' effect from forces in their personal lives. Family events (e.g., the birth of child), economic difficulties (e.g. the sudden loss of a big investment), and personal affairs (e.g., a divorce) can all be very stressful. Since it is often difficult to separate work and nonworking lives completely, this personal stress can affect people's emotions and behavior both on and off the job (Schermerhorn J., Hunt J., Osborn R. 1998).

Another source of stressors is personal, including individual needs, capabilities, and personality. These are properties of the individual that influence how he or she perceive and responds to stress emanating from work and nonworking sources. Stress can reach a harmful state more quickly, for example, when experienced by highly emotional people or by those with low self-esteem. People who perceive a good fit between job requirements and personal skills seem to have a higher tolerance for stress than do those who feel less competent as a result of a poor person-job match. Basic aspects of personality may also cause some persons to experience more stress that others I similar situations. The achievement orientation, impatience, and perfectionism of individuals with Type A personalities, for example, often creates stress for them in work settings that others find relatively stress-free (Schermerhorn J., Hunt J., Osborn R., 1998).

3.5.5 CONSEQUENCES OF STRESS

The fact that stress has become a harmful phenomenon is no longer a shocking information, but what we should do, especially when we think of its negative consequences, is to look at things not only from the individual's perspective, whose health and psychological state can be affected, but also from the perspective of the environment, respectively from the perspective of the organization of which it is part (Cole, G. A., 2000).

Because what a worker considers stress is highly personal, workers differ in the extent to which they experience the consequences of stress, even when they are exposed to the same sources of stress (such as making a presentation or getting laid off). At some point in their lives, however, all workers experience some of the consequences of stress. These consequences are of three main types: physiological, psychological, and behavioral. Each consequence has the potential to affect well-being, performance, and effectiveness at the individual, group, and organizational levels (Cole, G. A., 2000).

Physiological Consequences

Were you ever unable to fall asleep or stay asleep at night when you were experiencing particularly high levels of stress during the day? Such sleep disturbances are just one of the potential physiological consequences of stress. Other potential physiological consequences range from sweaty palms, feeling flushed, trembling, a pounding heart, elevated blood pressure, headaches, dizziness, nausea, stomachaches, backaches, and hives to heart attacks and impaired immune system functioning (George, Jones, 1996).

The relationship between stress and physiological consequences is complicated, and researchers are still struggling to understand the dynamics involved (George, Jones, 1996)-

The most serious physiological consequences of stress are likely to occur only after considerably high levels of stress are experience for a prolonged period of time. High blood pressure, cardiovascular disease, and heart attacks, for example, may result from excessive levels prolonged stress (George, Jones, 1996).

Psychological Consequences

One of the major psychological consequences of stress is the experience of stressful feelings and emotions. Stressful feelings and emotions can range from being in a bad mood, feeling anxious, worried, and upset to feeling angry, scornful, bitter, or hostile. Any or all of these feelings will detract from workers' well-being (George, Jones, 1996).

Another psychological consequence of stress is that people tend to have more negative attitudes when they experience stress. Workers who are highly stressed tend to have a more negative outlook on various aspects of their jobs and organizations and are more likely to have low levels of job satisfaction and organizational commitment (George, Jones, 1996).

Burnout – psychological, emotional, or physical exhaustion – is a special kind of psychological consequence of stress that afflicts some workers who experience high levels of work stress day in and day out for an extended period of time. Burnout is especially likely to occur when workers are responsible for helping, protecting, or taking care of other people (George, Jones, 1996).

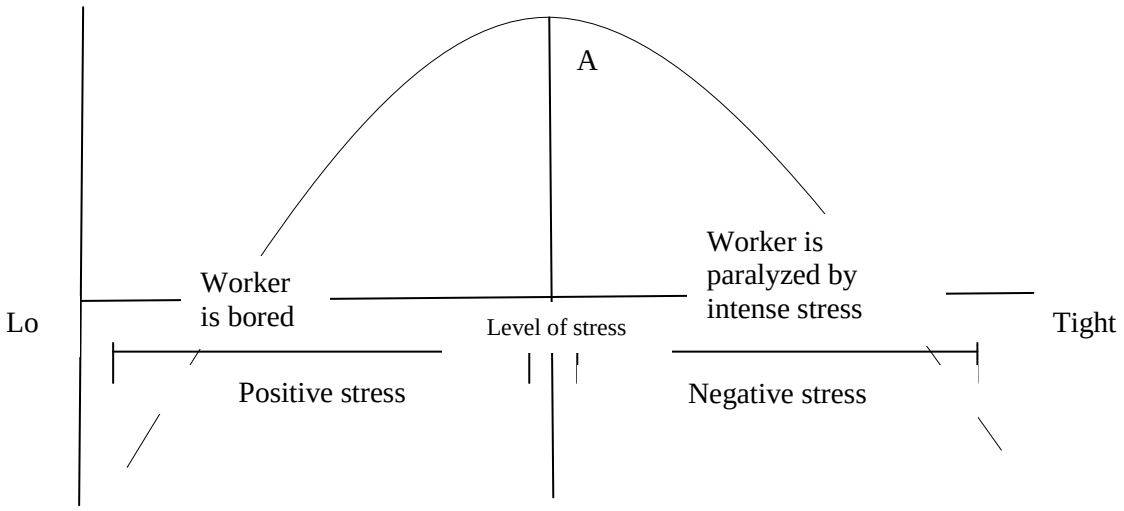
Three key sings of burnout are feelings of low personal accomplishment, emotional exhaustion, and depersonalization. Burned-out workers often feel that they are not helping others or accomplishing as much as they should be. Emotionally they are worn out from the constant stress of dealing with people who are sometimes in desperate need of assistance. Burned-out workers sometimes depersonalize the people they need to help, thinking about them as objects or things rather than as feeling human beings (George, Jones, 1996).

Behavior consequences

The potential consequence of stress on job performance is perhaps of most interest to managers. One way to summarize the relationship between stress and performance is in terms of an inverted U (see Fig. no. 3). Up to a certain point (point A in the figure), increases in stress enhance performance. Beyond that point, further increases in stress impair performance. Stress up to point A is positive stress because it propels workers to perform at high level. Stress beyond point A is negative stress because it impairs performance (George, Jones, 1996).

Stress levels that are too high, however, can impair performance and thus are negative (George, Jones, 1996).

Figure 3: An Inverted U Relationship between stress and performance



Excessively high levels of stress may prevent workers from effectively performing their jobs (George, Jones, 1996).

Individual differences also affect the relationship between stress and performance. Some workers, because of their personalities and abilities, are able to withstand high levels of stress that seem to propel them on to even higher levels of performance; for such workers suffer when stress becomes too high. For each worker, the point at which increases in levels of stress result in decreases in performance depends on the worker's personality traits and abilities (George, Jones, 1996).

Excessively high levels of stress may also lead to absenteeism and turnover, especially when workers have other employment options. A recent study found that many nurses experience so much stress and burnout that they are planning to quit their current jobs or leave nursing altogether (George, Jones, 1996).

3.5.6 WORKPLACE STRESS AND CONSEQUENCES OF HEALTH

There is no doubt that stress can impact a person's health. It is a potential source of both anxiety and frustration, each of which can harm the body's physiological and/or psychological well-being over time. Health problems associated with stress include heart attack, stroke, hypertension, migraine headache, ulcers, substance abuse, overeating, depression, and muscle aches, among others (Schermerhorn J., Hunt J., Osborn R., 1998).

Managers should be alert to sings of excessive stress in themselves and their coworkers. The symptoms are multiple and varied. The key things to look for in observable work behaviors are from normal patterns – a change from regular attendance to absenteeism, from punctuality to tardiness, from diligent work to careless work, from a positive attitude to a negative attitude, from openness to change to resistance to change, or from cooperation to hostility, for example.

Individuals can experience stress in different ways, that's why some responses here may seem contradictory. Different personalities can be more resilient than others, but this does not lessen the significance of stress as a workplace health and safety issue (Schermerhorn J., Hunt J., Osborn R. 1998).

Physical responses and effects

Short-term responses:

- increased heart rate, blood pressure and levels of cortical (known as the "stress hormone"), muscle tension, an increase in the frequency or severity of headaches;
- over-eating or loss of appetite.

Long-term consequences:

- back problems, heart disease, cardiovascular disease and type 2 diabetes,
- gastrointestinal problems such as stomach ulcers and heartburn.

Stress can also weaken your immunity system, making you vulnerable to illness, as well as aggravate any existing health problems.

Emotional responses and effects

You may:

- feel anxious, irritable, hopeless, isolated or guilty
- have low-self-esteem
- suffer depression and mental illness; these can lead to suicide.

Behavioral responses and effects

You may:

- feel aggressive, causing conflicts or showing risk-taking behaviors
- feel lethargic, unmotivated and apathetic
- drink or take drugs to cope, unwind or forget your pressures.

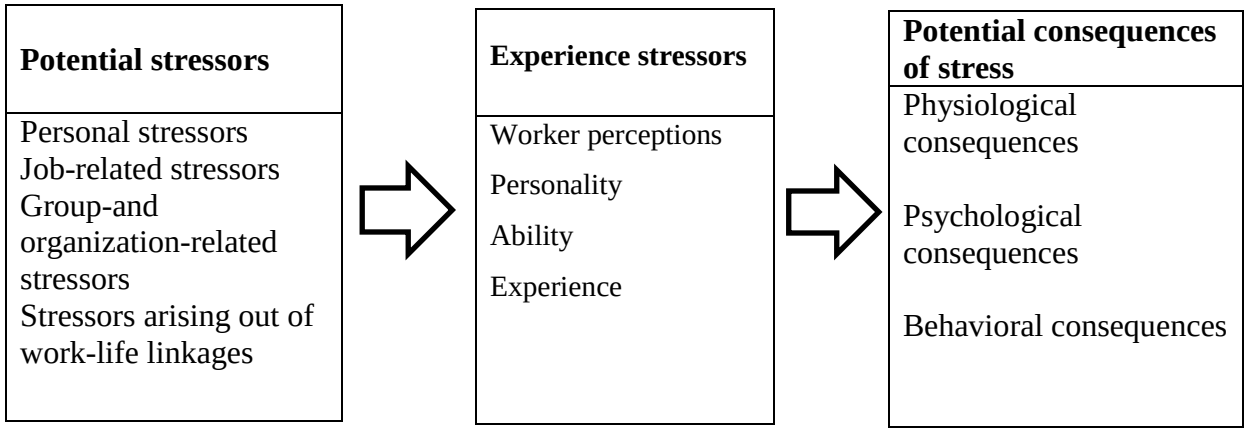
It's important to remember that these signs may be similar to those of an illness or disease, and may have nothing to do with workplace stress. Investigate fully and cautiously before coming to any conclusions, and always talk to the person without any preconceived opinions or judgments.

3.5.7 CAUSES OF THE STRESS

Four major potential stressors, sources of stress, are one's personal life, one's job responsibilities, membership in work groups and organizations, and work-life linkages (George, Jones, 1996).

Across these for categories of potential stressors, there is an almost infinite variety of stressors that may confront workers and lead to the physiological, psychological, and behavioral consequences of stress (see no. 4). The effects of these stressors combine to determine the overall level of stress a person experiences; each stressor contributes to or influences how stressed a person generally feels (George, Jones, 1996).

Figure 5.4: Sauces and Consequences of Stress



Job-Related Stressors

Just as a wide variety of life events can be potentially stressful, a wide variety of potential stressors arise from a person's job. Here we consider six job-related stressors: role conflict, role ambiguity, overload, under load, challenging assignments, promotions, and conditions that impact workers' economic well-being (George, Jones, 1996).

Group- and Organization-Related Stressors

Potential stressors that can cause too high a level of stress also can arise at the work-group and organizational levels. At the work-group level, for example, misunderstanding, conflicts, and interpersonal disagreements can be sources of negative stress for group members (George, Jones, 1996).

International joint ventures have many advantages: participants get different perspectives on a project or problem, a wide variety of skills and expertise is represented, and participants are able to benefit from their exposure to new ways of doing things. To take full advantage of these benefits of diversity (in nationality or country of origin) without experiencing too much stress from being exposed to so much that is new, individuals and groups need to be aware of and sensitive to the role that national culture plays in how people behave in groups and organizations (George, Jones, 1996)

3.5.8 FEELING STRESS CAN CHANGE THE WAY A PERSON FEELS, THINKS AND BEHAVES

These symptoms include:

At individual level:

- physiological reactions (dorsal problems, low immunity, gastric ulcer, heart problems, hypertension).
- emotional reactions (irritability, anxiety, sleep disturbances, depression, hypochondria, alienation, fatigue, problems in family relationships);
- cognitive reactions (difficulty in concentrating, in memory, in learning new things, in making decisions);
- behavioral reaction (drug abuse, alcohol and tobacco; destructive behavior);
- hysiological reactions (dorsal problems, low immunity, gastric ulcer, heart problems, hypertension). (Jick, Payne, 1980)

- At the level of organization:
- bsenteeism, a high fluctuation of staff, a faulty calendar, disciplinary problems, bullying, low productivity, accidents, errors and increased costs from compensation or health care (Jick, Payne, 1980).

3.5.9 WORKPLACE VIOLENCE AND SABOTAGE

In the last 20 years, violence in the workplace has developed into a major organizational problem. Workplace homicide is the fastest-growing form of murder in the United States. In terms of being a target of violence, this is especially a problem for women and for supervisors. For example, workplace homicide is the leading cause of death in the workplace for women. Also, although the target of violence can be co-workers, subordinates, or customers, the most likely target tends to be supervisors (Wagner, John, 2005).

Organizational sabotage is violence directed at property rather than people. Workers who are dissatisfied may either consciously or subconsciously produce faulty products. This can have disastrous effects for both consumers and the company (Wagner, John, 2005).

Although traditionally organizational sabotage was seen as dealing with vandalism or theft, it is now increasingly being directed at computer information systems. These systems, while protected from external tampering, remain highly vulnerable to manipulation by insiders (Wagner, John, 2005).

Comparing the Nature of Sexual Harassment and Workplace Aggression

Legal attention to sexual harassment has created significant awareness and policy aimed at preventing workplace sexual harassment; workplace aggression has not received the same level of attention. Yet, workplace aggression may have adverse outcomes which are at least as strong as those of sexual harassment. Lapierre (2005) found little difference in the magnitude of the relationship between these two forms of interpersonal mistreatment and job satisfaction. Further, in sub-analyses of all-female samples, Lapierre (2005) found that victims experienced lower job satisfaction from workplace aggression than from sexual harassment (Journal of Applied Psychology, 2010).

Sexual harassment has been described in terms of its three sub-components: gender harassment, unwanted sexual attention, and quid pro quo. Gelfand, Fitzgerald, and Drasgow (1995) suggested that gender harassment consists of a range of verbal and nonverbal behaviors that convey insulting, hostile, or degrading attitudes towards women. Unwanted sexual attention includes a variety of offensive, unwanted, and unreciprocated sexual behaviors, whereas quid pro quo harassment reflects the extortion of sexual cooperation in return for job-related considerations. We borrow from the definition proposed by Neuman and Baron (2005) to define interpersonal workplace aggression (in contrast to workplace violence) as non-violent negative acts perpetrated against organizational members, which organizational members are motivated to avoid. These acts include verbal and psychological behaviors such as yelling, spreading lies or rumors, ostracism, and withholding information (Journal of Applied Psychology, 2010).

There are several similarities between sexual harassment and workplace aggression. Researchers in both areas have argued that these behaviors are organizational stressors that relate to attitudinal (e.g., job satisfaction, affective commitment), behavioral (e.g., work withdrawal), and health consequences (e.g., psychological and physical well-being). Both sexual harassment and workplace aggression are conceptualized as unwanted behaviors, which is what characterizes them as stressors. In addition, both sexual harassment and workplace aggression can be communicated through non-verbal (i.e., facial expressions and gestures), verbal, and physical behaviors (Journal of Applied Psychology, 2010).

Despite these similarities, we posit that workplace aggression may have stronger adverse outcomes for victims than sexual harassment. First, sexual harassment is experienced differently by women and men. With respect to women, sexual harassment is likely to symbolize an attack on a representative of

a group (i.e., gender), whereas for men, at a minimum it is less likely to threaten their organizational status, and may even reinforce their gender identity. In contrast, workplace aggression for both women and men is likely to be perceived as a personal attack on oneself. Thus, as we discuss in more detail below, workplace aggression may be perceived as more personal than sexual harassment (Journal of Applied Psychology, 2010).

Victim Reactions to Workplace Aggression

In contrast to sexual harassment, workplace aggression, as it is typically defined, is not overtly specific to race, gender, or any other social group. That is, even if the perpetrator's motivation for victimization is related to the victim's race, gender, or other minority characteristic, victims do not necessarily perceive this motivation. If victims perceived that aggression was based on minority status, they would perceive it as discrimination, not aggression; and if they perceived that it was based on gender, it would be perceived as sexual harassment, not aggression. Therefore, due to the general way in which aggression is enacted, it is less likely than sexual harassment to be perceived as an attack on a minority characteristic. Consequently, victims of workplace aggression are less able than victims of sexual harassment to invoke a social categorical buffer to protect their self concept. Workplace aggression often manifests itself in forms of social exclusion, gossiping, yelling, and rude behaviors, all of which signal that the victim is of low status, not liked, does not belong to the work group, and/or is not welcome in the work environment. These behaviors are likely to be equally threatening to men and women because they pose a threat to belongingness and status that is not associated (outwardly) with gender. Research has demonstrated that individuals have a fundamental need to belong and that threats to such belongingness have significant adverse effects on individuals' health, attitudes, and behaviors. Although both sexual harassment and workplace aggression may signal a lack of belongingness, the former signals the lack of belongingness in a workplace based on gender, whereas the latter signals lack of belongingness in a workplace based on one's personal characteristics (Journal of Applied Psychology, 2010).

Burnout

Burnout – psychological, emotional, or physical exhaustion – is a special kind of psychological consequence of stress that afflicts some workers who experience high levels of work stress day in and day out for an extended period of time. Burnout is especially likely to occur when workers are responsible for helping, protecting, or taking care of other people (George, Jones, 1996).

Three key sings of burnout are feelings of low personal accomplishment, emotional exhaustion, and depersonalization. Burned-out workers often feel that they are not helping others or accomplishing as much as they should be. Emotionally they are worn out from the constant stress of dealing with people who are sometimes in desperate need of assistance. Burned-out workers sometimes depersonalize the people they need to help, thinking about them as objects or things rather than as feeling human beings (George, Jones, 1996).

Dimensions of Burnout:

- Exhaustion: is the hallmark symptom, "the root of burnout" (Leiter & Maslach, 2005). The major causes of exhaustion are excessive work-load, and interpersonal conflict at the work-place, which demand intense and prolonged use of emotional and physical resources of the individual.
- Depersonalization (cynicism): represents the contextual dimension of burnout, in which the individual tries to establish a distance between him/herself and others, by starting to consider others as impersonal objects (Maslach, 2005). Depersonalization is similar to cognitive distancing in which the person protects him/herself by adopting a cynical attitude towards aspects that may further emotionally impact him/her. Cynicism develops as a response to emotional exhaustion cause by overload.
- Inefficacy (reduced personal accomplishment): is the evaluative dimension of burnout, which is represented by feelings of incompetence and lack of efficiency at work. Inefficacy is accentuated by lack of resources and opportunities at the workplace, as well as by inappropriate social support (Maslach & Leiter, 2008; Maslach, 2001). In some cases this third

dimension of burnout is a function of either exhaustion or cynicism, or both (Lee & Ashforth, 1996).

The individual's symptoms of burnout affect the organizational environment by being associated with negative reactions, low levels of satisfaction with the organization, low levels of professional implication, high levels of absenteeism, intension to leave or change the job (Maslach & Leiter, 2008). A considerable amount of research shows that such forms of dissatisfaction at the workplace are strongly associated with depersonalization (Schaufeli & Enzmann, 1998; Shanafelt, Bradley, Wipf, & Back, 2002). For instance, research has evinced that doctors with high levels of burnout consider that their work is not rewarding, that they are treated unfairly, and have to deal with confronting value systems. Similarly, high levels of burnout lead to impaired patient-care (Shanafelt et al., 2002; Potier, 2007).

Within the educational system, teachers experiencing high levels of burnout manifest improper attitudes and reactions towards their students, lack of professional implication, and intense wish to change of give up entirely the profession of teaching (Pruessner, Hellhammer, & Kirschbaum, 1999). From an inter-personal point of view, individuals with high levels of burnout manifest increasingly fewer interactions with colleagues, clients, and friends (Cordes & Dougherty, 1993), associated with increasingly lower professional implication. From a cognitive point of view, these changes are reflected by a cynical perception of others, characterized by negativism, pessimism, etc. (Schaufelli & Enzmann, 1998). The resulted hostility and suspicion is then oriented towards colleagues, clients, and superiors.

3.5.10 CONCLUSION

Stress affects individual well-being and has the potential affect the extent to which individuals and organizations achieve their goals and perform at a high level. Stress is bound up with workers' personal lives; thus the study of stress also entails exploring the nature of work-life linkages. In this chapter, we made the following major points:

People experience stress when they face opportunities or threats that they perceive as important and also perceive they might not be able to handle or deal with effectively. An opportunity is something that has the potential to benefit a person. A threat is something that the potential to harm a person. Stress is highly personal experience influenced by an individual's personality, abilities, and perceptions; what is stressful for one person might not be stressful for another.

Stress can have physiological, psychological, and behavioral consequences. The relationship between stress and physiological consequences is complicated, and the most serious physiological consequences (for example, cardiovascular disease and heart attack) result only after considerably high levels of stress have been experienced for a prolonged period time. Psychological consequences of stress include negative feelings, moods, and emotions; negative attitudes; and burnout. Potential behavioral consequences of stress include job performance, strained interpersonal relations, absenteeism, and turnover.

Work related stress is a phenomenon that constantly increases in severity. As seen, burnout may have a serious impact not only on the organizational climate in which the affected person is employed (thus causing important financial losses), but may also seriously affect the person's quality of life (physical, emotional, social, etc.). Workers who are responsible for helping others sometimes experience burnout. The three key signs of burnout are feelings of low personal accomplishment, emotional exhaustion, and depersonalization.

A certain level of stress is positive in that it can result in high levels of job performance. When stress levels are excessively high, negative stress is experience, and performance suffers. Other potential

behavioral consequences of high stress include strained interpersonal relations, absenteeism, and turnover.

Potential stressors can arise from workers‘ personal lives, job person responsibilities, membership in work groups and organizations, and work-life linkages. Stressors from workers‘ personal lives include major or minor life events. Job-related stressors include role conflict, role ambiguity, overload, under load, challenging assignments and promotions, and conditions that impact workers‘ economic well-being. Group and organization-related stressors include misunderstandings, conflicts, and interpersonal disagreements, uncomfortable working conditions, and dangerous or unsafe working conditions. Stressors arising out of work-life linkages result when work roles conflict with people‘s personal lives.

Discussion questions

1. How does stress affect people at work?
2. Why are opportunities such as a job promotion stressful for some people?
3. How do your individual differences (e.g. age, gender, past experience, and personality) contribute to your stress? Explain.
4. Do organizations have an ethical obligation to guarantee their members job security? Why or why not?

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3.6 THEORY OF LEARNING

3.6.1 Introduction

In thid chapter I will discuss about theories of learning. Aim of the present paper is to provide a formal characterization of various different types of theory of learning. There will be mentioned all structures of orientation to learning, which I will define and compare with others. With analysis I will try to point out main difference between main types of theories of learning.
My research is divided into 8 parts. I will start by briefly describing what I am going to discuss in next pages and what my aims are. In the second part I will say something about levels of organizational behavior, just to introduce you to the whole story about theories. I will continue by mentioning something about learning in general, before starting to present the 4 main theories of learning. In the end, when I describe all the theories, I will end my seminar work with the conclusion, where I will summarize main points and give my opinion about the whole case.

3.6.2 Learning in general

There are many different theories of how people learn. It is interesting to think about your own particular way of learning and to recognize that everyone does not learn the way you do.
I want to talk about learning. But not the lifeless, sterile, futile, quickly forgotten stuff that is crammed in to the mind of the poor helpless individual tied into his seat by ironclad bonds of conformity! I am talking about LEARNING - the insatiable curiosity that drives the adolescent boy to absorb everything he can see or hear or read about gasoline engines in order to improve the efficiency and speed of his 'cruiser'. I am talking about the student who says, "I am discovering, drawing in from the outside, and making that which is drawn in a real part of *me*." I am talking about any learning in which the experience of the learner progresses along this line: "No, no, that's not what I want"; "Wait! This is closer to what I am interested in, what I need"; "Ah, here it is! Now I'm grasping and comprehending what I need and what I want to know!" (Carl Rogers 1983: 18-19; http://www.infed.org/biblio/b-learn.htm)
The latter takes us into the arena of competing learning theories - ideas about how learning may happen.
Learning is the change that occurs at any time change our behavior, and that is linked to the experience gained over time. You may have knowledge of situations or activities, but learning is that we apply knowledge (Organizational Behavior, Collected and edited by prof. dr. Štefan Ivanko, Ljubljana, September ‘12).
A learning theory is an attempt to describe how people learn, helping us understand this inherently complex process. There’s sub-levels of each theory, behavior and other categories.
For explaining, predicting or controlling the organizational behavior, managers should know how the workers learn things. Learning is continuous process defined as „the result of experience“. If workers perform good job and are rewarded for that, they learn to repeat this performance again. It is up to the managers how they manage the way of learning in workplace. Either they can let workers to learn freely during working process or they can control it by leaving them to learn accordingly managers' behavior (Robbins, Stephen P., 2005, p.33).

3.6.3 Learning as a product

When we open a standard psychology textbook - especially from the 1960s and 1970s we will probably find learning defined as a change in behavior. In other words, learning is approached as an outcome - the end product of some process. It can be recognized or seen.

Learning as a process - learning theory

The focus on process obviously takes us into the realm of learning theories - ideas about how or why change occurs. On these pages we focus on four different orientations.

There are 4 main types of Learning theories:

- The behaviourist orientation to learning
- The cognitive orientation to learning
- The humanistic orientation to learning
- The social/situational orientation to learning.

3.6.4 The behaviorist orientation to learning

The behaviorist movement in psychology has looked to the use of experimental procedures to study behavior in relation to the environment. The behaviorists take the view that learning is brought about through stimulus, response and reward, a form of conditioning process or associative learning. Behaviorism is a worldview that assumes a learner is essentially passive, responding to environmental stimuli.

Behaviorism is more concerned with behavior than with thinking, feeling, or knowing. It focuses on the objective and observable components of behavior. The behaviorist theories all share some version of stimulus-response mechanisms for learning.

Behaviorism originated with the work of John B. Watson, an American psychologist. He argued that the inner experiences that were the focus of psychology could not be properly studied as they were not observable. Instead he turned to laboratory experimentation. The result was the generation of the stimulus-response model. In this the environment is seen as providing stimuli to which individuals develop responses. He held the view that psychology should only concern itself with the study of behavior, and he was not concerned with the mind or with human consciousness.
In essence three key assumptions underpin this view:

- **Observable behaviour rather than internal thought processes** are the focus of study. In particular, learning is manifested by a change in behaviour.
- **The environment shapes one's behaviour**; what one learns is determined by the elements in the environment, not by the individual learner.
- **The principles of contiguity** (how close in time two events must be for a bond to be formed) **and reinforcement** (any means of increasing the likelihood that an event will be repeated) **are central to explaining the learning process**. (Merriam and Caffarella 1991: 126; http://www.infed.org/biblio/b-learn.htm)

Nowadays, behaviorism is associated with the name of B.F. Skinner, who made his reputation by testing Watson's theories in the laboratory. Skinner ultimately rejected Watson's almost exclusive emphasis on reflexes and conditioning. Skinner believed that people respond to their environment, but they also operate on the environment to produce certain consequences. Skinner developed the theory of "operant conditioning," the idea that we behave the way we do because this kind of behavior has had certain consequences in the past (http://www.lifecircles-inc.com/Learningtheories/behaviorism/behaviorism.html).

Researchers like Edward L. Thorndike build upon these foundations and, in particular, developed a S-R (stimulus-response) theory of learning. He noted that that responses (or behaviors) were strengthened or weakened by the consequences of behavior. This notion was refined by Skinner and is perhaps better known as operant conditioning - reinforcing what you want people to do again; ignoring or punish what you want people to stop doing.

In terms of learning, according to James Hartley (1998) four key principles come to the fore:

- **Activity is important**. Learning is better when the learner is active rather than passive. ('Learning by doing' is to be applauded).
- **Repetition, generalization and discrimination are important notions**. Frequent practice – and practice in varied contexts – is necessary for learning to take place. Skills are not acquired without frequent practice.
- **Reinforcement is the cardinal motivator**. Positive reinforcers like rewards and successes are preferable to negative events like punishments and failures.
- **Learning is helped when objectives are clear**. Those who look to behaviourism in teaching will generally frame their activities by behavioural objectives e.g. 'By the end of this session participants will be able to...'. With this comes a concern with competencies and product approaches to curriculum. (http://www.infed.org/biblio/b-learn.htm)

There are few assumptions of Behaviorism. First one is that it is naturalistic. This means that the material world is the ultimate reality, and everything can be explained in terms of natural laws. Man has no soul and no mind, only a brain that responds to external stimuli. Second one is that a central tenet of behaviorism is that thoughts, feelings, intentions, and mental processes, do not determine what we do. Behaviorism views behavior as the product of conditioning. Humans are biological machines and do not consciously act; rather they react to stimuli. Also, behaviorism teaches that we are not responsible for our actions. If we are mere machines, without minds or souls, reacting to stimuli and operating on our environment to attain certain ends, then anything we do is inevitable. The last assumption that could be emphasized is that Behaviorism is manipulative. It seeks not merely to understand human behavior, but to predict and control it. From his theories, Skinner developed the idea of »shaping.« By controlling rewards and punishments, you can shape the behavior of another person.

3.6.4 The cognitive orientation to learning

Cognitive or Gestalt theories are focused on the individual's mental processes, while behaviorism is more focused on environment. In other words, they were worried with cognition, which is the act or process of knowing. Cognitivism focuses on the inner mental activities – opening the "black box" of the human mind is valuable and necessary for understanding how people learn. Mental processes such as thinking, memory, knowing, and problem-solving need to be explored. Cognitivism uses the metaphor of the mind as computer: information comes in, is being processed and leads to certain outcomes.
Many psychologists were not happy with behaviorism. There was a belief among some that there was too much of a focus on single events, stimuli and overt behavior. For Gestalt psychologists, perceptions or images should be approached as a pattern or a whole rather than as a sum of the component parts. Such thinking found its way into psychoanalysis and into the development of thinking about group functioning.

Researchers like Jean Piaget, while recognizing the contribution of environment, explored changes in internal cognitive structure. He identified four stages of mental growth (sensor motor, preoperational, concrete operational and formal operational).

Jerome Bruner explored how mental processes could be linked to teaching (emphasizing, among other things, learning through discovery).

James Hartley (1998) has usefully drawn out some of the key principles of learning associated with cognitive psychology. As he puts it: 'Learning results from inferences, expectations and making connections. Instead of acquiring habits, learners acquire plans and strategies, and prior knowledge is important' (1998: 18).

The principles he identifies are:

- **Instruction should be well-organized**. Well-organized materials easier to learn and to remember.
- **Instruction should be clearly structured**. Subject matters are said to have inherent structures – logical relationships between key ideas and concepts – which link the parts together.
- **The perceptual features of the task are important**. Learners attend selectively to different aspects of the environment. Thus, the way a problem is displayed is important if learners are to understand it.
- **Prior knowledge is important**. Things must fit with what is already known if it is to be learnt.
- **Differences between individuals are important as they will affect learning**. Differences in 'cognitive style' or methods of approach influence learning.
- **Cognitive feedback gives information to learners about their success or failure concerning the task at hand.** Reinforcement can come through giving information – a 'knowledge of results' – rather than simply a reward. (http://www.infed.org/biblio/learning-cognitive.htm)

3.6.5 The humanistic orientations to learning

In this orientation the basic concern is for human growth. Humanism is a paradigm that emerged in the 1960s. It focuses on the human freedom, dignity, and potential. Humanists also believe that it is necessary to study the person as a whole, especially as an individual grows and develops over the lifetime. It follows that the study of the self, motivation, and goals are areas of particular interest.

Humanistic psychology's positive view of people and their ability to control their own destiny, and the seemingly unlimited possibilities for individual development provided some hope for educators.
Abraham Maslow has been considered the Father of Humanistic Psychology. Maslow's theory is based on the notion that experience is the primary phenomenon in the study of human learning and behavior. He placed emphasis on choice, creativity, values, self-realization, all distinctively human qualities, and believed that meaningfulness and subjectivity were more important than objectivity. For Maslow, development of human potential, dignity and worth are ultimate concerns. He is famous for proposing that human motivation is based on a hierarchy of needs. The lowest level of needs are physiological and survival needs such as hunger and thirst.

Further levels include belonging and love, self-esteem, and self-actualization
Perhaps the most convincing research of a humanistic orientation to learning came from Carl Rogers. His passion for education that engaged with the whole person and with their experiences; for learning that combines the logical and intuitive, the intellect and feelings; found a ready audience.

He saw the following elements as being involved in significant or experiential learning.

- **It has a quality of personal involvement**—the whole person in both feeling and cognitive aspects being *in* the learning event.

It is self-initiated. Even when the impetus or stimulus comes from the outside, the sense of discovers of reaching out, of grasping and comprehending, comes from within.

- **It is pervasive.** It makes a difference in the behavior, the attitudes, perhaps even the personality of the learner.
- **It is evaluated by the learner**. She knows whether it is meeting her need, whether it leads toward what she wants to know, whether it illuminates the dark area of ignorance she is experiencing. The locus of evaluation, we might say, resides definitely in the learner.
- **Its essence is meaning**. When such learning takes place, the element of meaning to the learner is built into the whole experience. (Rogers (1983: 20); http://www.infed.org/biblio/b-learn.htm)
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Characteristics of this theory include:

- a belief that human beings have a natural eagerness to learn,

- there is some resistance to, and unpleasant consequences of, giving up what is currently held to be true,
- the most significant learning involves changing one's concept of oneself.

3.6.6 The social/situational orientation to learning

Social learning theory posits that people learn from observing other people. Within psychology, initially it was behaviorists who looked to how people learned through observation. Later researchers like Albert Bandura looked to interaction and cognitive processes. One thing that observation does is to allow people to see the consequences of other's behaviors. They can gain some idea of what might flow from acting in this way or that. It is not so much that learners acquire structures or models to understand the world, but they participate in frameworks that that have structure. Learning involves participation in a community of practice.

Learning would be extremely hard, not to mention dangerous, if people had to rely fully on the effects of their own actions to inform them what to do. Luckily, most human behavior is learned by observation through modeling: from observing others one forms an idea of how new behaviors are performed, and on later occasion this coded information serves as a guide for action.

Tennant idea was that this orientation has the definite advantage of drawing attention to the need to understand knowledge and learning in context. However, situated learning depends on two claims. First one is that it makes no sense to talk of knowledge that is decontextualized, abstract or general and the second one is that new knowledge and learning are properly planned as being located in communities of practice.

Questions can be raised about both of these claims. It may be that learning can occur that is seemingly unrelated to context or life situation. Second, there may situations where the community of practice is weak or exhibits power relationships that seriously inhibit entry and participation.
Concerning all these mention facts we can say that the idea of situated learning does provide significant pointers for practice.

- **Learning is in the relationships between people**

Learning traditionally gets measured as on the assumption that it is a possession of individuals that can be found inside their heads. Learning is in the conditions that bring people together and organize a point of contact that allows for particular pieces of information to take on a relevance; without the points of contact, without the system of relevancies, there is not learning, and there is little memory. Learning does not belong to individual persons, but to the various conversations of which they are a part.

- **Educators work so that people can become participants in communities of practice**

They need to explore with people in communities how all may participate to the full. There is a strong link here with the long-standing concern among informal educators for association.

- **There is an intimate connection between knowledge and activity**

Learning is part of daily living. Problem solving and learning from experience become central processes (http://www.infed.org/biblio/b-learn.htm).

3.6.7 CONCLUSION

In the previous pages I talked about main types of theories of learning. We can identify there are 4 main types of these theories, this are the behaviorist orientation to learning, the cognitive orientation to learning, the humanistic orientations to learning and the social/situational orientation to learning. Every of them has other aspect of view and approach to learning.

The four orientations can be summed up in the following figure (Merriam and Caffarella 1991: 138; http://www.infed.org/biblio/b-learn.htm):

Aspect	**Behaviourist**	**Cognitivist**	**Humanist**	**Social and situational**
Learning theorists	Thorndike, Pavlov, Watson, Guthrie, Hull, Tolman, Skinner	Koffka, Kohler, Lewin, Piaget, Ausubel, Bruner, Gagne	Maslow, Rogers	Bandura, Lave and Wenger, Salomon
View of the learning process	Change in behaviour	Internal mental process (including insight, information processing, memory, perception	A personal act to fulfil potential.	Interaction /observation in social contexts. Movement from the periphery to the centre of a community of practice
Locus of learning	Stimuli in external environment	Internal cognitive structuring	Affective and cognitive needs	Learning is in relationship between people and environment.
Purpose in education	Produce behavioural change in desired direction	Develop capacity and skills to learn better	Become self-actualized, autonomous	Full participation in communities of practice and utilization of resources
Educator's role	Arranges environment to elicit desired response	Structures content of learning activity	Facilitates development of the whole person	Works to establish communities of practice in which conversation and participation can occur.
Manifestations in adult learning	Behavioural objectives Competency - based education Skill development and training	Cognitive development Intelligence, learning and memory as function of age Learning how to learn	Andragogy Self-directed learning	Socialization Social participation Associationalism Conversation

Behavioral, Social, Cognitive, and Humanist learning theories represent a continuum of approaches available for teaching. Behaviorist theories are described by categorical processes based on observed behavior. Social theories elaborate the behaviorist ideas of observed behavior by using the notion of modeling as the main approach. Cognitive learning theories focus on the thinking processes of the learner rather than the behavior of the learner. According to cognitive theory, learning is an active process taking place in the largely unobservable domain of the human brain. The learner approaches information using first the senses and later reflection. Humanist learning present how persons act to fulfill some potential.

Together, the four learning theories present a highly complex knowledge base of how individuals learn.

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5.7 WORKPLACE ATTITUDE AND PERFORMANCE ASSESSMENT

5.7.1 Introduction

Many years all types of organizations, including schools, grocery shops, public institutions, international organizations, have the common thing: they seek to hire competent and committed employees. This aim has become even more topical when organizations have to face dynamic, unpredictable, global challenges. To compete in nowadays world many companies are including workers education, training and development as an important part of their strategies. Human recourse development (HRD) can be defined as ' a set of systematic and planned activities designed be organization to provide its members with the necessary skills to meet current and future job demands' (DeSimone and Harris, 1998:2). Ultimately, all HRD programs is effort to evaluate at the work, to understand why workers behave in the way they do. Using this knowledge is easier to solve emerging problems in a workplace, increase workers' motivation and commitment and, of course, make their performance more effective.
Identifying human behavior is not as easy as it seems. It consists of many factors, which influenced person in the past, like education in the childhood, and which are still affecting, like everyday changing environment. When it come to behavior at work employee's behavior is mostly influenced by skills and knowledge he has, motivation and attitude. An attitude represents a tendency of feeling favorableness or unfavorableness towards person, event, thing or process. 'Attitudes are always held with respect to a particular object – whether the object is a person, place, even or idea – and indicate one's feeling or affect toward that object. Attitudes tend to be stable and are difficult to change' (DeSimone and Harris, 1998:42).

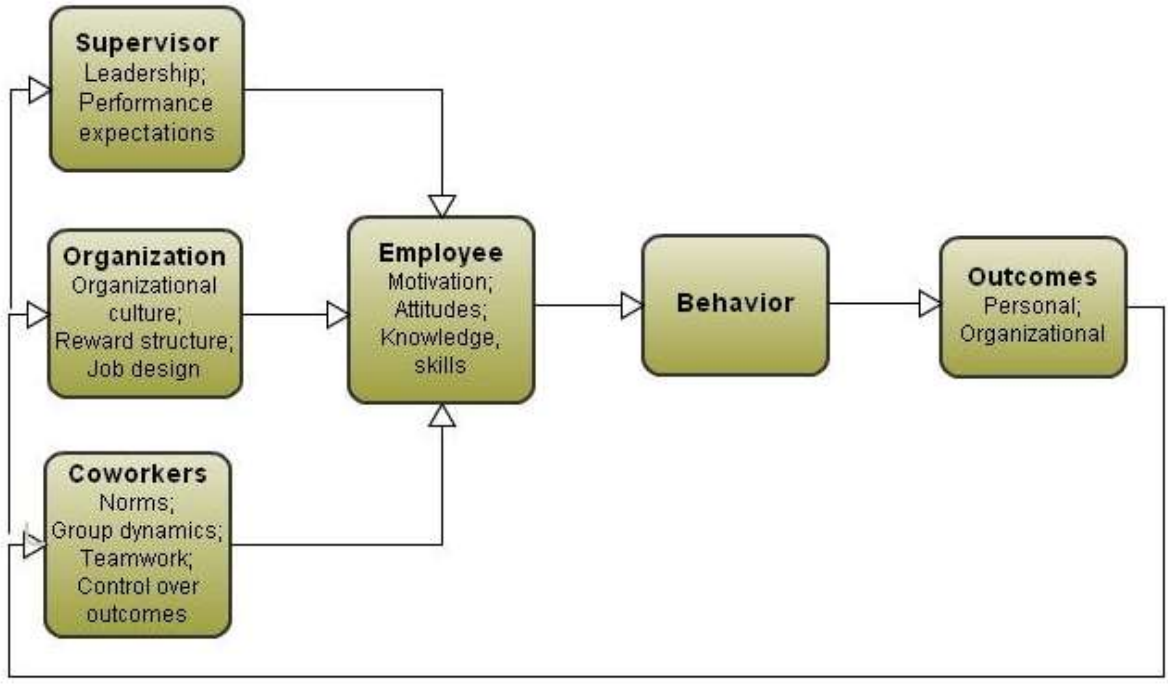
It is important to emphasize that HRD is always trying to analyze the relationship between behavior and attitude. This relationship is nor simple or direct. And unfortunately, it is not always easy to determine. Attitudes are used to predict behavior and also behavior of the employee is being interpreted to understand his attitude. It is important for employer, who is seeking for effectiveness, to understand what would help worker to reach better results. That is why a lot of surveys and performance assessments are used. Performance assessment is the process of evaluating how well employees perform their jobs when compared to a set of standards (Mathis and Jackson, 2003:626). Also it can be specially conceived to address a particular question that relates to employee attitudes. Tracking employee attitudes over time is the best way to have a sense of the interaction between the circumstances of employment and attitude. It's also important for assessments to evolve as the organization evolves.
So if organization is seeking for higher results it is important to understand the meaning of workplace attitudes as it is a important part of employees behavior at work. To reach effectiveness in organization through employees, the performance assessment must be used. But undersnding of it is requered.

5.7.2 Workplace attitude

To analyze and understand workplace attitude, it is very important before to analyze human behavior, because attitude is one of the factors influencing it. As it is very hard to determine employee's attitude, we have to examine behavior to understand attitude and explore worker's attitudes to predict behavior. A positive work attitude does not necessarily lead to a positive

work behavior. Neither does a positive work behavior indicate positive work attitude. Even these two, behavior and attitude, has to be distinguished and cannot be confused, we cannot understand one without understanding another. Only this will cause successful performance assessment and later, the improvement of organization.

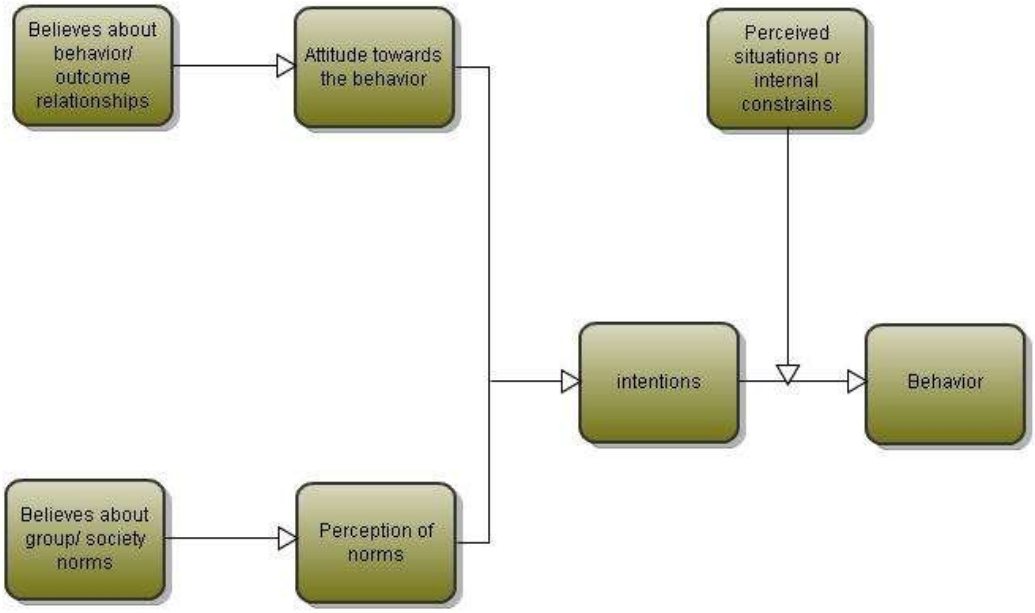
Picture 5.1. The behavior intention model



Source: DeSimone and Harris, 1998:43

DeSimone and Harris (1998:27) suggested a model of employee behavior. They presented what could be the key factors affecting employee behavior and their corresponding relationships. They included two categories of main forces: 1) those, which are influencing employee from the inside, and 2) those, which are found in the surroundings. The model assumes that internal and external forces are interacting together and producing the behavior we see. Authors agree, that the model is relatively simple and do not cover all possible causes for employee behavior, but it includes the most important forces.

Picture 5.2. The behavior intention model



Source: DeSimone and Harris, 1998:43

In discussed model attitude take place near motivation and knowledge. But there is lack of explanation what exactly is the relation between attitude and behavior. Ajzen and Fishbein (in DeSimone and Harris, 1998:42) suggested the behavior intentions model. That model states that attitudes are combined with perceived social pressure to behave in one given way (called subjective norms) to influence individual's intentions. These attitudes, in turn, more directly influence behavior.

When attitudes and subjective norms conflict, the stronger of the two of them plays the dominant role in determining what individual's intentions will be. Possible intentions, influenced by attitude, can be converted to behavior. So attitude is not connected to behavior directly. But it has huge influence on it.

At work, two job attitudes have the greatest potential to influence how we behave. These are job satisfaction and organizational commitment. Job satisfaction refers to the feelings people have toward their job. In the most basic sense, job satisfaction is a positive emotional state resulting from evaluating one's job experiences. While job dissatisfaction occures when these expectations are not met. If the number of studies conducted on job satisfaction is an indicator, job satisfaction is probably the most important job attitude. Institutions such as Gallup or the Society for Human Resource Management (SHRM) periodically conduct studies of job satisfaction to track how satisfied employees are at work. According to a recent Gallup survey, 90% of the employees surveyed said that they were at least somewhat satisfied with their jobs. A recent SHRM study revealed 40% who were very satisfied.
Studies have shown the influences of a person's disposition on job satisfaction. One of the first studies in this area, conducted by Staw and Ross (in Saari and Judge, 2004:396) demonstrated that a person's job satisfaction scores have stability over time, even when he or she changes jobs or companies. Also, job satisfaction with the nature of the work itself – which includes the taskes the person performs, the people the worker interacts with, the surroundings

in which person works, the way organization treats worker – predicts overall job satisfaction. Any aspect of the job and the employing organiztion is part of the work situation and can affect job satisfaction. Judge and Bono (in Saari and Judge, 2004:396) found that a self-evaluation correlates with employee job satisfaction. According to Saari and Judge (2004:396) 'they also found that one of the main causes of the relationship was through the perception of the job itself. Thus, it appears that the most important situational effect on job satisfaction—the job itself—is linked to what may be the most important personality trait to predict job satisfaction – core self evaluation.' Also researches showed that some other personality features, such as extraversion and conscientiousness, can also influence job satisfaction. That is why the part of job satisfaction is determined by worker's personalities, which organization or manager cannot change in the short run. One more determinant of job satisfaction is social influence, or influence that individuals or groups have on person's attitudes and behavior. Coworkers, the groups person belongs to, and the culture where a person grows up and lives in all have a potential to affect worker's level of job satisfaction. Geert Hofstede conducted perhaps the most thorough study of how culture influences the workplace attitude. These various research findings indicate that there is in fact a relationship between individuality and job satisfaction. With individuality comes special attitude, which can be formed by many factors, as it was mentioned before. Even though organizations cannot directly impact employee personality, after assessed performance and personal appraisal, appropriate methods can be used to form it in needed way and a good match between employees and jobs will ensure people are selected and placed into jobs most appropriate for them, which, in turn, will help enhance their job satisfaction.

There are many theories or model of job satisfaction. Each of them specifies exactly what causes one worker to be satisfied with job and another worker to be dissatisfied. There are four the most influential theories: the facet model, Herzberg's motivator – hygiene theory, the discrepancy model and the steady – state theory. The facet model of job satisfaction focuses on work situation factor by breaking a job into its component elements, or job facets, for example activity, authority, coworkers, social status, independence, security, responsibility, etc., and looking at how satisfied workers are with each facet. Employees can take into account numerous aspects of their jobs when thinking about their level of job satisfaction. One of earliest theories of job satisfaction is Herzberg's motivator – hygiene theory. It focuses on the effects of certain types of job facets on job satisfaction. Herzberg's theory states that each worker has two sets of requirements: motivator needs and hygiene needs. George and Jones (1996:76) explain that 'motivator needs are associated with the actual work itself and how challenging it is. Job facets such as interesting work, autonomy on the job <…> satisfy motivator needs. Hygiene needs are associated with the physical and psychological context in which the work is performed. Job facets such as the physical working conditions, the nature of supervision <…> satisfy hygiene needs.' Other theory, the discrepancy model of job satisfaction is based on very simple idea: the determine how satisfied employee is in his job, he has to compare his job to dream work or ideal job. 'This 'ideal job' could be what one thinks the job should be like, what one expected the job to be like, what one wants from a job, or what one's former job was like' (George and Jones, 1996:77). And then these expectations are not met, worker can become dissatisfied with his job. The steady – state theory suggests the each employee has typical level of job satisfaction, called the steady state or equilibrium level. Different situations or events at work (for example, receiving promotion or raise of salary) can temporary influence this steady state, but eventually worker will return to his equilibrium level (George and Jones, 1996:78). So one of the such interests of job satisfaction is that it can make significant influence on job performance, also coworkers, teams, and finally even the organization as a whole.

Whereas job satisfaction is feelings and beliefs that individual have about specific jobs, organizational commitment is feelings and beliefs about the employing organization as a whole. A highly committed employee is one who accepts and believes in the company's values, is willing to put out effort to meet the company's goals, and has a strong desire to remain with the company. People who are committed to their company often refer to their company as "we" as opposed to "they" as in "in this company, we have great benefits." The way we refer to the company indicates the type of attachment and identification we have with the company. ,A wide range of personality and situational factors has the potential to affect levels of organizational commitment. For example, workers may be more committed to organization that is doing good things to society rather than causing harm, such as polluting the atmosphere.<...> The Body shop, which is manufacturing and selling organic beauty products, engenders commitment from its employees by supporting protection of the environment and animal rights' (George and Harris, 1996:85). Also workers can be more committed to those organizations which care about the employees and values them as individuals. Managers intuitively believe that workers, who are committed to an organization, will work harder. But actually researches show that there is only weak relationship between commitment and work performance. Even it is a small step towards more effective work in organization, it is very important. Workers who are committed to an organization are less likely to quit and their positive attitude towards the organization itself makes them reluctant to leave.

So job satisfaction and organizational commitment, is they are positive, lead to positive workplace attitude, which is the main aim of every manager. It has many advantages and improves organization as a whole. So positive attitude leads to improved communications between coworkers, authority and customers, better teamwork, increased morale, which includes optimism, confidence, conflict resolution as empathy for surrounding people, resilience after finishing hard task, and of course higher productivity. While the opposite, when employee is dissatisfied with job and he doesn't feel at all committed to his organization, worker has negative workplace attitude. Negative attitude is really hard to change, meanwhile it is hard to keep the positive attitude permanent. On negative attitude and its managing are significant number researches, because it has great influence on workforce. Staff members who are sensitive to negative criticism may start to hold back their own creative ideas out of fear of ridicule. So it can be cause of hindering of creativity and inovations. Other employees with marketable skills may decide it's in their best interest to leave the situation entirely. The employees that are left behind continue to loose morale and their sense of loyalty to the organization is diminished. All this can lead to decreased productivity, negative impact on consumers and finally even to impact negatively on financial matters.

Workplace attitude is very important factor influencing results of employees perform at work. Even though, according to DeSimone and Harris, it doesn't have absolutely strait influence on behavior at work. Two types of work attitude, job satisfaction and organizational commitment, which show feeling towards work and toward organization itself, are very well researched and discussed a lot. And even researches revealed that it doesn't have very strong correlation with work behavior, negative attitude at work can cause a lot of problems, possibly leading to productivity fall and financial problems. That's why it is very important to consistently assess performance at workplace to find and tackle upcoming problems.

5.7.3 Performance assessment

Given that work attitudes may give us clues about who will leave or stay, who will perform better, and who will be more engaged, tracking satisfaction and commitment levels is a helpful step for companies. If there are companywide issues that make employees unhappy and disengaged, these need to be resolved. There is a systematic way companies can track work attitudes: through performance surveys. Companies such as KFC and Long John Silver restaurants, Google, and others give periodic attitude surveys, which are used to track employee work attitudes. Employee attitude surveys are inexpensive tools that can give superb insight into employee motivation, performance and overall attitudes. Benefits of it can include improved morale, increased customer retention and more profits. Once is understood how employees think and feel, policies and procedures can be began to revise to better meet their needs.

Performance is essentially what an employee does or does not do. While performance assessment is the process of evaluating how well employees perform their jobs when compared to a set of standards, and then communicating that information to those employees. Performance standards define the expected levels of performance. Realistic, measurable, clearly understood performance standards benefit both organizations and employees. Well-defined standards makes sure, that is known to everyone the levels of accomplishment expected.

Performance assessment is used for administering wages and salaries, giving performance feedback and identifying individual employee's strength and weaknesses or training needs. Organizations generally use performance assessment for two aims. One is to measure performance due to make administrative decision about employees. The other aim focuses on the development of individuals. The development type of performance assessment emphasizes identifying potential and planning employees' growth opportunities and direction.

Performance assessments can occur in two ways: formal and informal. When assessment is formal the way workers are valuated is determined in advance. According to George and Jones (1996:224) IMB, GE, Siemens and most other large organizations use formal assessments. In a meeting a system is in place to report managerial impressions and observations on employee performance and persons, who is being evaluated, is given the feedback. Often managers want to use performance feedback to motivate workers in day-to-day basis. In situations like these, an informal performance assessment can be the way out to meet the needs of both workers and managers. They meet informally and discuss ongoing process. Informal performance assessments are beneficial. Because they often take place right after desired or undesired behavior occurs, workers immediately get the idea what they are doing good or wrong. But even informal assessment is useful, it shouldn't take place of formal. Ideally, an organization should use both formal and informal assessments to reach for highest results.

Also, organizations must determine how often formal assessment would be conducted. 'Most companies require managers to conduct assessments once or twice a year, most often annually. New employees commonly receive an assessment 60-90 days after employment and annually thereafter. <…> Systematic appraisals feature a regular time interval, which distinguishes them from informal appraisals. Both employees and managers know that performance will be reviewed on regular basis, and they can plan for performance discussions.'(Mathis and Jackson, 2003:346).
In addition to varying in degree of formality, performance assessments can vary in content also. Traits, behavior and results are three main types of information that can be assessed. 'When traits are used to assess performance, personal characteristics, such as personality, skills, attitude, that are deemed relevant to job performance is evaluated. <…> using traits to assess performance have several disadvantages.' (George and Jones, 1996:226) First, behavior is determined by both personality traits and situation, which occurred. For this reason, traits alone cannot be predictors of performance because possible that situation had effect on it. 'Traits can be good indicators of what a worker is like but not very good indicators of what the worker actually does on the job' (George and Jones,

1996:226). Second, the traits based performance actually has very little power to motivate employees, because it focuses on relatively enduring characteristics that cannot be changed in short time, if can be changed at all. When behaviors are used to appraise performance, the focus is on actual behaviors and actions workers perform at work. But there is a problem with relying on behaviors to assess performance is that sometimes the same level of performance can be achieved through different behaviors. 'When results are used to assess the performance, the focus is not on what workers do on the job but on effects of their behaviors or their actual output. <…> When there are many ways to achieve the same results and which avenue a worker chooses is not important, results can be a useful way of assessing performance' (George and Jones, 1996:226). But also this approach has its disadvantages, because sometimes results are not under workers control.

Regardless of the approach to performance assessment (formal or informal) and the types of information assessed (traits, behavior or results), it is very important to use appropriate method to conduct the performance assessment. Methods can be used combined in different ways. Mathis and Jackson (2003:352) describe most of the methods, brought under the categories, used in organizations. The simplest methods for appraising performance are category rating methods. They require a manager to mark an employee's level of performance on a specific form divided into categories of performance. The graphic rating scale allows marking an employee's performance on a continuum. The rater checks the appropriate rating on the scale for each duty listed. Two graphic rating scales are actually in use today. The first and the most common type lists job criteria such as quantity of work, quality of work, attendance, etc. The second one assesses behavioral aspects, such as decision making, developing employees, etc., with specific behaviors listed and the effectiveness of each rated. Graphic rating scales are simple, so this method is used frequently. But one potential disadvantage of these scales is that rates may disagree about the meaning of the scale points. For example, what is 'very good' behavior to one may be only 'good' for other. The second type of rating method's category is checklist. It is a performance appraisal tool that uses a list of statements or words. Raters check statements most representative of the characteristics and performance of employee. However, several difficulties exist with this method.

Also, there are comparative methods, which require that manager directly compare the performance of his employees against one another. First of them is ranking. It lists all employees from highest to lowest in performance. The biggest defect of this method is that the size of the differences among individuals is not well defined. Mathis and Jackson gives an example: the performances of individuals ranked second and third may differ a little, but performance of third and fourth can have huge difference. The second is called forced distribution. It is a technique for distributing ratings that can be generated with any other methods. It requires a comparison among people in the work under consideration. Using forced distribution method, the ratings of employees' performance are distributed along a bell-shaped curve. But it suffers from several drawbacks. Difficulties also arise when the rater has to explain why employee was placed in one grouping and other were places in higher grouping.
Narrative methods are used when managers need to provide written assessment information. One of the methods is critical incident. In this method manager keeps a written record of both highly favorable and unfavorable actions in employee's performance during the entire working history in that organization. When this 'critical incident' happens with employee, manager just writes it down. It can be used with other methods to explain why worker was rated in certain way. But it has some disadvantages, because: 1) not all managers define what is critical incident in the same way, 2) to use it in day-to-day basis takes a lot of time, 3) workers can become concerned and tensed about managers 'black book'. Other method is the essay. It is a free form of manager describing the employee performance, but the effectiveness of this method depends on managers abilities to express himself. The third method is the field review. According to Mathis and Jackson (2003:356) it focuses as much on who does the evaluation as method is used. This approach can include the human recourse department as a reviewer or completely independent reviewer outside the organization. The outsider interviews the manager for each employee's performance, them compiles the notes from each interview into rating of each worker. This method assumes that the outsider knows a lot existing situation at work.

In a attempt to overcome some the difficulties of the methods just described, behavior rating approaches attempt to assess an employee's behaviors instead of other characteristics. Some of the different behavioral approaches are behaviorally anchored rating scales (BARS), behavior observation scales (BOS), and behavioral expectation scales (BES). BARS compares what the employee does with possible behaviors that might be shown on the job. BOS counts the frequency which a worker performs the behavior. BES order behaviors on continuum to define outstanding, average, and unacceptable performance.

Even though there are a lot of different methods, no single method is the best for all situations. Using combinations may help to avoid the advantages or disadvantages of the single methods. Category raking methods are easy to perform, but usually they are too limited. Also they can cause problems with reliability of rater. Comparative approaches help avoid clemency, bias. But they do not provide feedback for improvement as well as other methods do. Narrative methods are very good if you need a lot of feedback information for development, but criteria and standards of the work has to but set very carefully. Also, these methods take away a lot of time.

Before conducting the assessment, must be decided who will appraise performances. Mostly it is done by supervisors or managers, but sometimes there are used self-assessments, peer-assessments, subordinate assessments or outsiders do the assessment. So, according to George and Jones (1996:229), self-assessments may offer some advantages, because worker is familiar with his or her own level of performance. But employee may not rate himself the same way as supervisor or manager would rate him, because he can be more bias or more demanding for him. Peer-assessment are given by coworkers of evaluated person. Peers most of the time are very familiar with the performance levels. They are useful when workers are members of the team and their work is depending on each other's performance. That is why they are motivated to provide accurate peer ratings. But it can also have some meaningful disadvantages. The criticism can negatively affect the future work, a worker won't want to give bad rating to his friend or too good to not to look bad in comparison. Subordinate assessment is given to manager by the subordinates. Most of the time they are anonymous to make subordinates feel free to evaluate in accurate way. Rating can also be done by outsiders who could be called to conduct the assessment. The colleagues managers, customers or clients of organization are very good source for outside assessments. However, the outsiders can not know the important demands on the organization. But to reach the best results of evaluating preferences of employees many different combinations of sources of information are used.

In spite of all this, there are many mistakes done, during performing the assessment. Most of them are made by rater. And even though eliminate all the errors is impossible, but as long as rater knows about possible threats, he can try to avoid them.

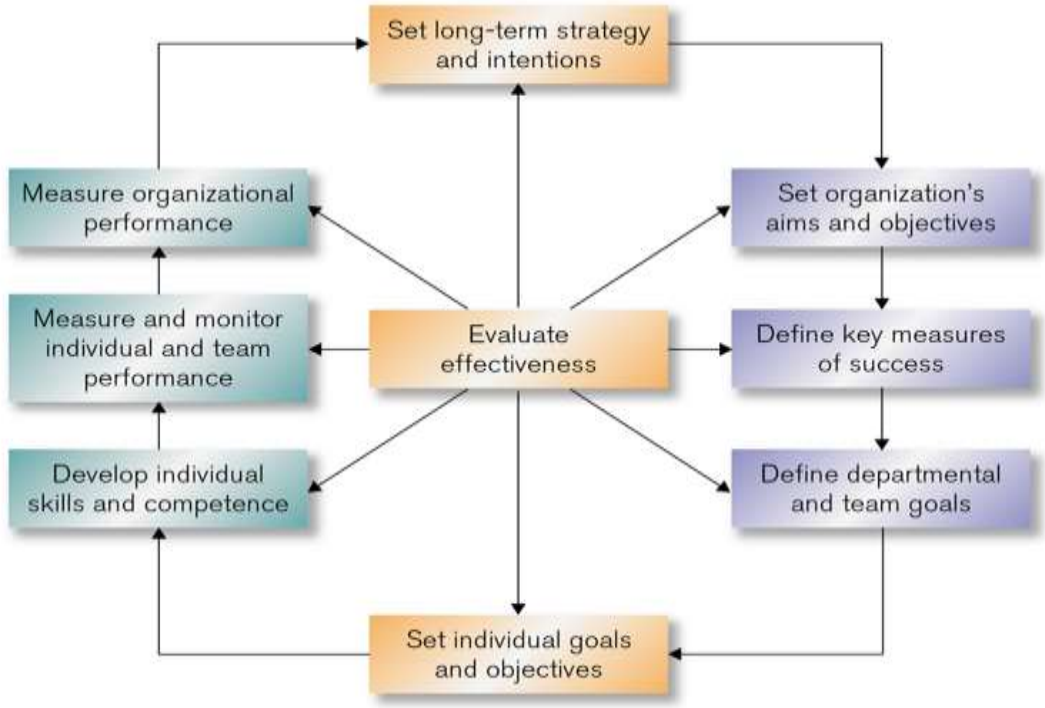
Given the subjective world with which performance assessments deal, there are key of psychological processes of which raters must be aware. Is must be taken into account how accurately respondent understand what is being asked of him; how well (or poorly) they are motivated to participate and honestly answer the questions, how well he can communicate with inner world. All these processes affect the reliability and validity of the date gathered (Whitfield and Straus, 1998:159). Moreover, success of these surveys depends on the credibility of management in the eye of employees. If management periodically collects these surveys but no action comes out of them, employees may adopt a more cynical attitude and start ignoring these surveys, hampering the success of future efforts. One of most common errors, is stereotype, which is built on same distinguishing or often highly visible characteristic. The biggest problem of it that is hard to avoid. Also very common error is varying standards. Managers should avoid applying different standards and expectations regarding workers doing the similar work. The primacy effect occurs when the initial piece of information that rater has about rated has huge effect on how that person recognized. The opposite is the recency effect is when a rater gives bigger weight to recent events while assessing the performance. A rater who rates all his employees within a narrow range (for example: everyone is average) commit a central tendency error, where even poor performances are given the average assessment. Leniency or strictness is also one of the problems. The leniency error occurs when ratings of all employees fall at the high end of scale. The strictness error occurs when a manager rates employees only until the low part of the scale,

when the rating is consistently lower than the normal or average. ‘Rater bias occurs when a rater’s values or prejudices distort the rating. Such bias may be unconscious or quite intentional. For example, a manager’s dislike for certain ethnic groups may cause distortion in appraisal information for some people. Judgments about age, religion, seniority, sex, appearance, or other arbitrary classifications also may skew assessments ratings if the assessment process is not properly designed. A review of assessment rating by higher-lever managers may help to solve the problem’ (Mathis and Jackson, 2003:360). The halo effect occurs when rating a person excellent in one quality, which in turn influences the evaluator to give a similar rating or higher-than-deserved rating on other qualities. Whereas the ‚horns‘ effect is the opposite, where one characteristic may lead to overall lower ranking. To continue, there exists error, called the contrast error, which is tendency to rate people relative to other rather than against performance standards. For example, if there is a group which shows not the best results and that group is a person who performs a little better than they and he gets highest evaluation only because he is compared to others. The opposite situation would be that group is performing very well, the same person would get lower evaluation. Similar-to-me effect also is quite common. People perceive others who are similar to themselves more positively than they assess those how are not similar to them. If the rater has seen only a small sample of the employee’s work, an assessment may be subject to sampling error. Ideally the work being rated should be a good representative sample of all the work done. One more often problem is performance dimension order. It occurs when two or more dimensions on a performance instrument follow or closely follow each other and both describe or relate to a similar quality. The evaluator rates the first dimension accurately and then rates the second dimension similarly to the first because of their proximity. The main and the most often problems were mentioned. Knowing and understanding them can lead to more accurate results of the performance assessment.

After performance assessment is done, very significant part is waiting. It is feedback. After assessments managers need to communicate with evaluated persons and introduce the results. It is very important because worker can understand how he looks in front of superiors. Feedback can be done in few ways, but the most used are the interview and system of a feedback. The interview is quite dangerous method for manager, because discussed matters are personal and important to employee’s continued job. Also, manager has to express only constructive criticism. If these things are not met, a lot of hard feelings can be experience for both manager and employee. On the other hand, needed improvements can be discussed and set goal for future development. When it comes to system of a feedback, three commonly recognized components are included: data, evaluation and actions, based on evaluation. So data are factual pieces of information, regarding observed actions or consequences. Evaluation is the way the feedback system reacts to the facts and requires performance standards. For feedback to cause the change, some decision must be made regarding actions: managers make suggestions how to improve employee’s work.

All this has impact not only on atmosphere at workplace, on employees’ development and getting rid of existing problems. It also has big influence on all organization’s work. In Picture 3 is shown, how it is involved in the cycle and life of all organization. Measurement of employees’ performance leads to overall understanding and measurement of organizational performance, which helps to set long term strategies for organization and make future aims for employees.

Picture 4. Performance management cycle



Source: Banfield and Kay (in Schilling, 2011)

All in all, performance assessment is very useful tool to identify measure and evaluate employee's performance, if there are any problems met of following annual procedure. It helps improve development of worker, because problems are discussed and aims for future are set. This tool is also providing the critical link between organizational strategies and results achieved. Using different methods to assess the performance can help to achieve even higher results, which can be one of the company's success factors.

5.7.4 Conclusions

In conclusions, essential for organizations is to pay a lot of attention to employees behavior, to try to disclose existing problems and take care of amelioration atmosphere of working place. It helps to avoid negative attitudes and keeps the level of positive attitude. This is very important is to understand the value of workplace attitude. Job satisfaction is the most important attitude and can be one of the reasons of good (or poor) performances. While the commitment to the organization can be cause of loyal employees and lack of it can lead to constant changing of workers and misbalance of workplace atmosphere. Positive attitudes makes employees happy at their work and, even though it doesn't have strong correlation with work performance, developed and improved in certain right way it can lead to organization's success.

The reach this, the performance assessment must be used. There are different ways of conducting it. Performance assessment can be done in informal or formal way. While informal way helps to cope with day-to-day occurring problems, formal is regularly repeating and both manager and employee can prepare better. Also there are many of methods used to perform the assessment. Category ranking, comparative, narrative and behavioral/objectives methods have both advantages and disadvantages, but using them mixed can help avoid their defects and have only merit from them.

It is very important to understand that processes of understanding, evaluating and assessing performances and attitudes have very significant part in organization's life. It helps to set long term aims both for organization and for individual employee, which will help to achieve good results in future. Successful development is dependent on problems' analyzing and solving

existing problems. When new problems occur, it is also not so herd to cope with them, because previous experience can be used and problems' solving procedures are developed and adopted.

Understanding of employee behavior, which is consistent of attitude, motivation and knowledge, is very important to nowadays organizations. Attitude of employees can be very significant factor, defining behavior and atmosphere of workplace. To get the understanding of it, must be performance assessment conducted. The aim of this work is to attitude significance, provide with information about the performance assessment and understand the connection between them.

Firstly, attitude cannot be confused with behavior. Good behavior doesn't mean good attitude and vice verse. Secondly, good attitude can lead to greater results of organization, while bad attitude can cause problems like losing possibilities of innovations, loss of employees and even financial problems of organization. Thirdly, there are many different methods to conduct the assessment and mixing them together can bring better results. Feedback of the assessment can help develop the employees' work and make impact on their attitude, this way ameliorating all organization's functioning.

Understanding of importance of these processes is essential to organization, because it is a part of its life.

Discussion questions

1. What specific things organization can to raise levels of organizational commitment?
2. In what kind of organizations might organizational commitment be especially important?
3. Why are accurate performance assessments a key ingredient in having a motivated worker?

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4 MESO ORGANIZATIONAL BEHAVIOR

4.1 THE FOUNDATIONS OF MESO ORGANIZATIONAL BEHAVIOR

Meso organizational behavior study is the behaviors of groups within the organization. It deals with the mutual interactions and communication among the individuals, group development, group dynamic, team effectiveness, leadership, negotiations and conflicts as well. Study of group behavior tries to explain why people act differently in a group than when they are alone.

Meso organizational behavior has focused on the behavior of people working together or human behavior in groups. Knowledge of meso organizational behavior conduct research on discovering of cummucology, social psychology and interactive sociology, offering theories to areas such as socialization, leadership and group dynamics. Meso organizational behavior primarily looking for answers to questions such as:

- What forms of socialization heartened by staff to participate?
- What mix of skills among team members increases team performance?
- How do managers determine which potential leader will be most successful?
- Given that terms that from meso organizational behavior point of view organization consists of a definite number of permanent or ad hoc groups formed, it is important to determine:
- How we work as a team, department, sector, etc..?
- How to communicate in a formal or informal organization?

Organizational behavior is more than just the bulk of individuals' behaviors in the organization, because they do not act separately. People tend to change their opinions, attitudes, perception and moods when talking to others and accommodate in some way their behavior related to given situation and simultaneously influence the others within a group. The presence of other people can have positive or negative impact on performance of individuals by increasing of work effort, motivation, but also stress. Behavior of individuals is influenced by mutual interactions among the members of the group within the organization as well as by the form of organization, its rules, directives and culture. Moreover, meso organizational behavior study also includes the behaviors among these groups within the organization.

During group and team formations, members divide or receive different roles, norms and statuses. These three factors enables groups to control members' behavior . Groups determine and intensify to achieve the desired way of behavior related to certain role in group. But firstly, it should be defined group and its classification (Rudy, Jan., Luptakova, Stanislava., 2001., p. 128).

Groups is defined as two or more individuals joined together possessing similar needs, collective norms and goals with common identity who interact in order to achieve particular objectives. To consider a group to be effective and functional, it is necessary to set up the aim and goal of the group, the norms and behaviors, cohesiveness, statuses, mutual decision making and leadership. There exists two types of groups- formal and informal. By formal, it is meant that group is defined by organization's structure and are directed toward organizational goals. On the other hand, the groups which are crated as the result of need for social contact are called informal group (Robbins, Stephen P., 2005, p. 105).

When a group divide its task among members, different roles are assigned within this group. It is said that role represents "the set of behaviors that a person is expected to perform."(George, Jennifer, M., Jones Gareth, R., 1996, p. 310). In general, it is assumed that people plays more than one role learnt

from friends, colleagues, media, etc.. Also people have ability to modify their roles when situation requires to change as well. For managers, it is beneficial to know the individual roles of the workers in order to know what behaviors they should expect and it helps to predict more precisely these behaviors (Robbins, Stephen P., 2005, p. 104).

Norms represent "some kind of acceptable standards of behavior within a group that are shared by the group's members." (Robbins, Stephen P., 2005, p. 104). The norms ensure that the members behave according to given standards based on mutual agreement. Status is "socially defined position or rank given to group and their members by others." (Robbins, Stephen P., 2005, p. 104). It symbolizes the motivator which drives the human behavior based on the status hierarchy. It was proved that high-status members are given more freedom than the low-status member and also are able to resist the conformity with norms. Next, it shows that statuses influence the creativity, because in general, high-status persons tend to be more creative and assertive due to their higher freedom (Robbins, Stephen P., 2005, p. 105).

It is essential for managers to create the cohesive group whose members seek for organization's goals leading to higher productivity and performance. Establishing standards and teaching the norms is other important factor how to have at least some control over the group behaviors.

4.1.1 GROUP DECISION MAKING

It is said that more brains put together usually come with better solution than only one. Well, this phenomenon explains that group decision making formulates more consistent information by selecting from various points of view which leads to creation of higher-quality decisions. Members who actively participate in such a process are able to persuade others to accept their decisions.

The issue going with line of decision making process is to decide when is more favorable to make decisions as group or individually. Here, the effectiveness and efficiency play their role. If the desire of manager is to look for more creative, more accurate and better-quality decisions, group decision making is preferred whereas the individually made decisions are desired in case of saving time and resources to increase the efficiency of the group. Among group decision making techniques belong brainstorming, nominal group technique and electronic meetings (Robbins, Stephen P., 2005, p.113).

4.1.2 GROUP AND TEAM EFFECTIVENESS

To perform in the best shape is based on how the groups and teams are effective in organization. To be effective seeks for cohesiveness and mutual interdependences within a team or group. The higher effectiveness, the higher performance can be achieved. To become an effective group requires the process of development as well as fulfilling criteria such as group productivity that meets quality and quantity standards of organization, member satisfaction ensuring the long-term development and growth, the capacity for continued cooperation that drives a group to work together (Wagner III, John A., Hollenbeck, John R., 2010, p.171).

The team represent the subclass of the group. Apart from criteria for group effectiveness, teams have to meet special criteria such as high interdependence so they are understood each other and the goal that has to be met. Next, teams are responsible for performing several functions to keep work flow required by managers, and the roles of individual team members are not interchangeable, because they are assigned according to their abilities, skills and background. Because sometimes the effectiveness of groups and teams can be lower than individual, managers should pay attention to the structure of tasks and communication as well as to the group composition and its diversity in terms of personalities, gender, culture, and functions (Wagner III, John A., Hollenbeck, John R., 2010, p.179:

Other factor which has an impact on the team effectiveness is motivation in groups affecting its productivity. The main goal of motivation is to encourage the members to do their best for overall group benefits. Two types of reward are considered to be very effective tool of group motivation-

cooperative, where reward is distributed equally among members regardless individual contributions, and competitive, when each member is rewarded according to its performance to enhance individual creativity (Wagner III, John A., Hollenbeck, John R., 2010, p.187).

4.1.3 COMMUNICATION WITHIN GROUPS

Communication is the way how the members transmit their information to others. Without effective communication, the groups and teams would not be able to perform well. The main functions of communication is first to control member behavior , second to motivate by expressing how well the job is done, third, to share the feelings and emotions, and last to provide information about decisions made to evaluate possible choices. According to the way how the communication is directed, we can distinguish downward, when the flow is from upper level of organization directed to lower, next upward, where the flow goes from lower to upper management levels and horizontal direction is communication among members of the group at the same level. At the organizational level of communication, it is essential to build some kind of group networks where the process of communication is simplified. Also the informal system of communication such as grapevine is important because most of the information goes firstly through workers. Recently, electronic forms of communication have become extremely popular. Videoconferencing, emailing, instant messaging, cell phones and many others ensure that everybody can be reached at almost every time across countries in order to fasten the communication channels and problem solving (Robbins, Stephen P., 2005, p.155)

4.1.4 LEADERSHIP OF GROUPS AND ORGANIZATIONS

Leadership can be expressed as the way how to shape the group or organization into desired form in order to achieve goals. The question coming with this statement is what are the characteristics of a good leader. To find the correct type of leading requires understanding of group behavior. It is said that the contingency theory provide helpful guideline to understand leadership that include situational factors consisting of task structure of job, level of stress and group support as well as leader's intelligence and its personality, experience, ability and motivation. Other key role of good leader is development of trust relationship (Robbins, Stephen P., 2005, p.175).

4.1.5 CONFLICTS AND NEGOTIATIONS

More important than just defining the conflict and negotiation, we should look up to how the managers can deal with conflicts and how they can improve negotiation skills. Conflicts have negative impact on group development and it decreases the group performance and effectiveness. The goal of managers is to find the way how the conflicts can be avoided by several techniques. By using of collaboration to turn concerns into consensus and come up with compromised solution. Also, by avoidance of solving unimportant issues and let other people to resolve these issues more effectively. Next tool is to accommodate in case of wrong decision was made and to accept better side to be listened by the others. The last, but not least is to try to make compromises when conflict occurs in order to reach the goal and come up with acceptable solutions for both sides (Robbins, Stephen P., 2005, p.208).

In case of negotiation, managers should also follow some steps. It is said that the more you know about your opponent's behavior and strategies, the easier you can predict his/her answers and therefore prepare better to defense yourself. Next step is to start the negotiation with positive overture by saying small concessions and then modify opponent's concessions according your ideas. Also, separation of opponent's personalities from their ideas, trying to allow declaring victory to both sides, and creation of pleasant negotiating environment help the managers to improve the effectiveness in negotiations. To

become a good negotiator is long learning process which is gained over time spent with understanding and listening to others opinions and behaviors (Robbins, Stephen P., 2005, p.209).

Various kind of social psychology, communicology and interactional sociology have contributed to the development for meso organizational behavior, for example: theory of communication and socialization, theory of leadership, theory of group in organization and group dynamic theory. Many of these issues have been treated in the frame of organizational theory, which is a special subject on our faculty. Because of that fact we will in further discussion explain and describe only the issues which are not included in the framework of the subject of organizational theory Special attention we will pay to study group within organization, group dynamic, communication, decision making and negotiation.

4.2 GROUPS WITHIN OEGANIZATION

4.2.1 INTRODUCTION

Organizations are not just collections of individuals who work by themselves. Members of an organization are usually assembled or clustered into groups or teams. Organization use groups because groups can sometimes accomplish thing that no one individual could accomplish working alone. For example, in a group individuals can focus on particular tasks and become better at performing them.

Groups are the basic building blocks of an organization. Individuals are clustered into groups to help organizations achieve their goals and gain a competitive advantage. Just as the effective functioning of a university depend on the performance of the various groups the university is composed of (departments such as management and psychology, student groups such as language clubs, fraternities and sororities, and governing bodies such as the student council and the faculty senate).

Using groups in organizations, however, is not a simple process and presents managers with additional challenges as they try to understand and manage organizational behavior. People behave differently when they work in groups than when they work on their own. And although groups can sometimes work wonders for an organization, they can wreak havoc in an organization when they function improperly.

Given the important role that groups play in all organizations in this work it would be concentrated on the nature and functioning of the groups. There are started by describing what a group is, how it develops, key characteristics of groups and how being a member of a group affects individual behavior. Also there are described how groups control their members' behavior and turn newcomers into effective group members through the socialization process.

4.2.2 DEFINING GROUP

Is any gathering of individuals a group? If, not, what distinguishes a group from a mere collection of individuals? Two basic attributes define a group:

- Members of a group interact with each other, so that one person's actions affect and are affected by another person's (M. E. Shaw, 1981).
- Members of a group perceive that there is the potential for mutual goal accomplishment- that is, group members perceive that by belonging to the group they will be able to accomplish certain goals or meet certain needs (Mills, T. M., 1967).

A group, then, is a set of two or more people who interact with each other to achieve certain goals or meet certain needs.

It is important to note at the outset that although group members may have one or more goals in common, this does not mean that all there goals are identical. For example, when a person from each of four different departments in an organization (research and development, sales, manufacturing, and engineering) is assigned to a group to work on developing a new product, all members of the group may share the common goal of developing the best product that they can devise. But research and development might define best product as the one that has the most innovative features; sales as the one that most appeals to price-conscious customers; manufacturing as one that can be produced the most inexpensively; and engineering as one that will be the most reliable. Although they agree on the common goal-giving the costumer the best product they can devise- deciding what best product means

can be a difficult task. A group goal is one that all or most members of a group can agree on as a common goal.

4.2.3. TYPES OF GROUPS

There are many types of groups in organizations and each type plays an important role in determining organizational effectiveness. One way to classify these is by whether they are formal or informal. Managers establish formal groups to help the organization achieve its goals. The goals of a formal group are determined by the needs of the organization. Examples of formal groups include a product quality committee in a consumer products firm, a task force created to end sex discrimination in a law firm, and the pediatrics department in a health maintenance organization (HMO). Managers establish each of these groups to accomplish certain organizational goals such as increasing product quality and safety in the case of the product quality committee, ending discrimination in the case of the task force, and providing health care for children who belong to the HMO in the case of the pediatrics department.

Informal groups emerge naturally in organizations because organizational members perceive that membership in a group will help them achieve their goals or meet their needs. A group of five factory workers who go bowling every Thursday night to satisfy their common need for affiliation and friendship is an example of an informal group.

Types of formal groups

For important kinds of formal groups are command groups, task forces, teams, and self-managed work teams.

A command group is a collection of subordinates who report to the same supervisor. Command group are based on the basic reporting relationships in organizations and are frequently represented on organizational charts as departments (such as marketing, sales, or accounting). The pediatrics department in an HMO, the research and development department in a pharmaceutical company, and the financial aid department in a university are all examples of command groups. Command groups are the vehicle through which much of the work in an organization gets accomplished, and thus they have profound effects on the extent to which an organization is able to achieve its goals. The supervisors or leaders of command groups can play such an important role in determining the effectiveness of these groups.

A task force is a collection of people who come together to accomplish a specific goal. Once the goal has been accomplished, the task force is usually disbanded. The group established to end sex discrimination in a law firm and the product quality committee in a consumer products firms, are examples of task forces. Sometimes when task forces address a goal or problem of long-term concern to an organization, they are never disbanded, but their membership periodically changes to provide new insights on the goal or problem as well as to not overload existing members of the task force (who have their regular job responsibilities to perform as well as their duties as members of the task force). These kinds of tasks forces are sometimes referred to as standing committees or task groups to capture their enduring or permanent nature. The consumer products firm, for example, may always have a product quality committee to ensure that quality is a foremost consideration as new products are developed and existing ones are modified.

A team is a formal group in which there is a high level of interaction among group members who work intensely together to achieve a common group goal. When teams are effective, they draw on the abilities and experience of their members to accomplish things that could not be achieved by individuals working separately or by other kinds of the groups. Boeing, for example, uses cross-functional teams (groups of people from different departments such as engineering, marketing, and finance) to design and build new kinds of airplanes and has had tremendous success with them. Because of the high level of interaction in teams, however, they are tricky to manager. Digital Equipment Corporation and other organizations have run into trouble effectively managing teams

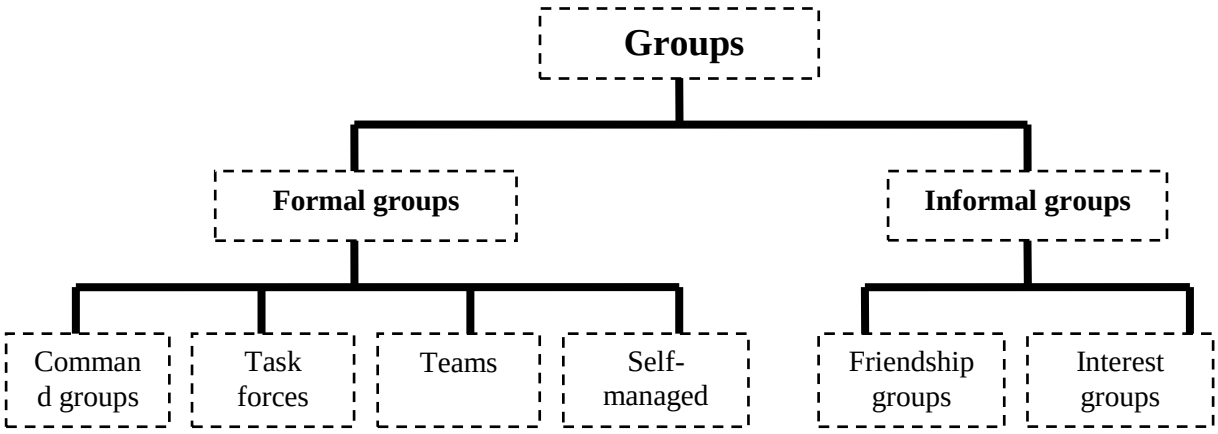
because team members spend too much time trying to come to an agreement on important issues. Note that just because people work in a group does not mean that they work in a team, which is further characterized by intense interactions among group members.

A team with no manager or team member assigned to lead the team is called a self-managed team. Members of a self-managed work time are responsible for ensuring that the team accomplishes its goals and for performing leadership tasks as determining how the group should go about achieving its goals, assigning tasks to individual group members, disciplining group members who are not performing at an adequate level, coordinating efforts across group members and hiring and firing (J. A. Pearce II and E.C. Ravlin, 1987, p .751-782). Self-managed teams are increasing in popularity and can have a dramatic impact on organizations and their members.

Types of informal groups

Two important types of informal groups are friendship groups and interest groups. A friendships group is a collection of organizational members who enjoy each other's company and socialize with each other (often both on and off the job), such as a group of factory workers who go bowling or a group of accountants at Big Eight firm who frequently have unch together. Friendship groups help meet worker's needs for social interaction, can be an important source of social support, and can also contribute to workers' experiencing positive moods at work and being satisfied with their jobs.
Members of an organization form interest groups when they have a common goal or objective (related to their organizational membership) that they are trying to achieve by uniting their efforts. Interest groups are often formed in response to pressing concerns among certain members of an organization, such as company-sponsored day care or elder care, extending existing maternity leave to cover new fathers, more actively trying to protect the environment, or proactively trying to improve conditions in the local community. Interest groups help members of an organization voice their concerns and can provide an important impetus for needed organizational changes.

Figure 4.7.1: Types of groups



Source: J. A. Pearce II and E.C. Ravlin, 1987, p.751-782.4.2.4

GROUP DEVELOPMENT OVER TIME

All groups change over time as group members come and go (because of turnover, new hires, and promotions, among other things); group tasks and goals change; and group members gain experience in interacting with each other. Noting these changes, some researchers have tried to determine the stages of group development over time (five-stage model). Understanding how groups change over time is important, because groups and their members face different challengers at different stages of development. In order for groups to be effective and perform at a high level, it is important for these challenges to be effectively managed. Think back to the last group project you worked on for one of your classes. It is likely that your first group meeting was dramatically different from your last group

meeting or from the meetings that took place in between. At each point the group faced different challenges. Likewise, as work groups evolve from their initial inception, they too undergo important changes.

One well-known model of group development in Bruce W. Tuckman's five-stage model is outlined in Fig.4.7.2 (Tucman, B., W., and Jensen, M., C., 1977, p. 419 – 427).

During stage 1, which Tuckman called forming, group members try to get to know each other and established a common understanding as they struggle to clarify group goals and determine appropriate behavior within the group. Once individuals truly feel they are members of the group, the forming stage is completed.

Stage 2, called storming, is characterized by considerable conflict, as its name implies. Group members resist being controlled by the group and disagree about who should lead the group or how much power the leader should have. This stage is completed when group members no longer resist the group's control and there is mutual agreement about who will lead the group. Group members usually complete this stage because they see it is in their best interests to work together to achieve their goals.

In stage 3, normalizing, group members really start to feel that they belong to the group, and they develop close ties with one another. Feelings of friendship and camaraderie abound, and a well-developed sense of common purpose emerges in the group. By the end of this stage, group members agree on standards to guide behavior in the group.

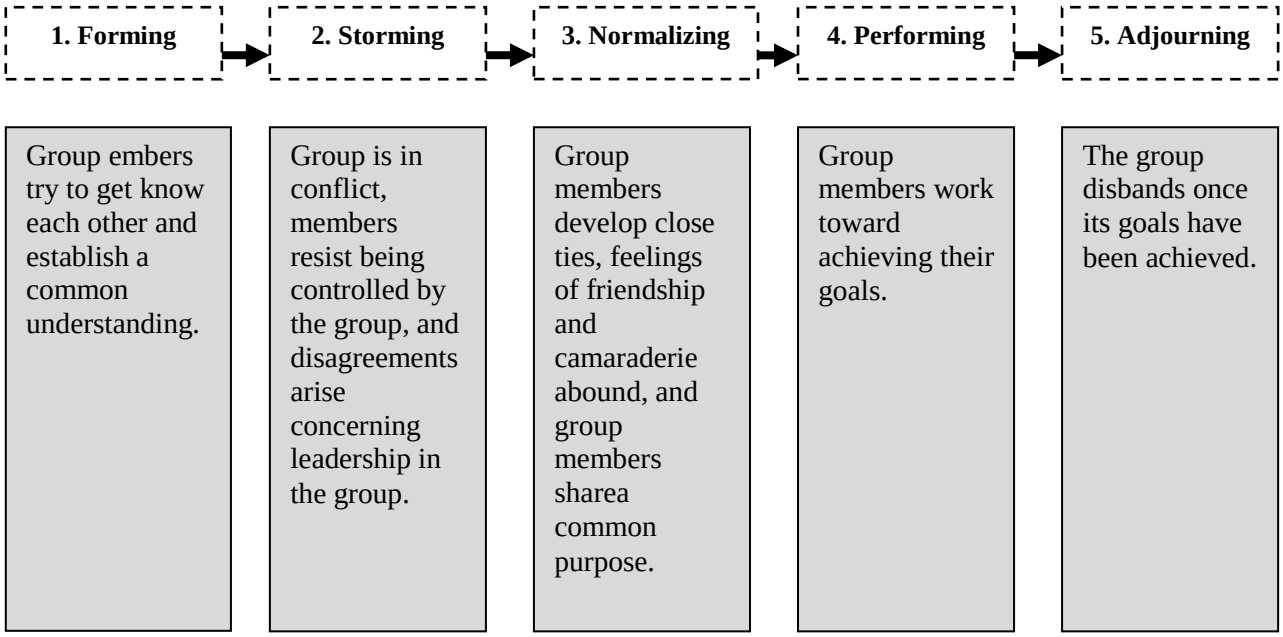
By the time stage 4, performing, is reached, the group is ready to tackle group tasks and work toward achieving group goals. The real work of the group gets accomplished in the performing stage. It should not take groups very long to get to this stage. Sometimes, however, it can take as long as two or three years to get to the performing stage, especially when the groups are self-managed work teams.

In the last stage of group development identified by Tuckman – stage 5, adjourning- the group disbands after having accomplished its goals. Ongoing work groups in organizations do not go through this stage and often remain at the performing stage. In contrast a task force is likely to be adjourned after it has achieved its goals.

The five-stage "forming-norming-storming-performing-adjourning" model is intuitively appealing, but research indicates that not all groups go through each of the stages and groups do not necessarily go through the stages one at a time or in the order specified by Tuckman. Some groups are characterized by considerable levels of conflict throughout their existence and so always have elements of the storming stage present. Organizational researcher Connie Gersick's studies of task forces found that groups with deadlines for goal accomplishment did not go through a series of stages but rather alternated between periods of inertia in which the groups did not get much accomplished and periods of frenzied activity in which major changes were made within the group and the group progressed towards its goals (Gersick, C. J. G., 1988, p. 9-41). Interestingly enough, these studies found that the timing of these stages depended on how long the group was given to achieve its goals. All of the groups studied experienced inertia for approximately the first half of their duration. For example, a group given six month to accomplish its goal might experience an initial stage of inertia for its first three month, and a group given three months to accomplish its goals may be an initial stage of inertia for its first month and a half.

As research into group development continues, it is probably safest to conclude that although allgroups change over time, there does not seem to be a single set of stages that all groups go through in a predetermined sequence.

Figure2. Truckman's Five-stage model of group development



4.2.5 CHARACTERISTICS OF GROUPS

In addition to varying in type (such as formal or informal, command group or self-managed work team) and stage of development, work groups vary in many other respects. Here are examined four characteristics of groups that have major effects on the way members behave in a group and the extent to which a group is able to reach its goals and perform at a high level: group size, group composition, group function, and group status.

Group size

The size of a group is measured by the number of full-time members who work together to achieve the group's goals. Groups may be composed of just two people or twenty people. Group size is an important determinant of the way group members behave. When groups are small, members are likely to know one another and interact regularly with each other on day-to day basis. When groups are small, it is relatively easy for members to share information, recognize individual contributions to the group, and thus identify with the group's goals. Strong identification with the group and its goals may lead to increased motivation and commitment to group goals and to higher levels of satisfaction.

In large groups, members are less likely to know one another and may have little personal contact with each other on a day-to-day basis. The lower level of interaction between members of large groups makes sharing information difficult. In addition, individuals may consider their own contributions to the group unimportant because there are so many other members, and this view may reduce their motivation and commitment to the group. For all these reasons, people generally tend to be less satisfied in large groups than in smaller ones (Jones, G., R., 1984. p. 684 – 695).

The disadvantages of using larger as opposed to smaller groups have to be weighed against the advantages of increasing group size, however. On the advantage side, larger groups have a greater number of resources at their disposal to accomplish their goals. These resources include the skills, abilities, and accumulated work experience and knowledge of group members. A second advantage of larger groups is the possibility of reaping the benefits of a division of labor, dividing up work and assigning particular tasks to individual group members. When individual members focus on particular task, they generally become skilled at performing these tasks and may perform at a high level. In fact,

one of the primary reasons why groups (as well as whole organizations) exist is to make a division of labor possible.

In making a decision about group size, an organization needs to balance the skill and resource advantages that large groups offer against certain disadvantages. Chief among these disadvantages of large group size are the communication and coordination problems that can arise as the number of group members increases. For example, as a group gets bigger, it is much more difficult to let group members know about a change in procedures. Imagine communicating complex changes in procedures to each member of a forty-member group and to each member of a group of four. Coordination problems also arise as group size increases. If, for example, a group of twenty students is doing a joint research project, it is much more likely that two students will inadvertently cover the same material that different parts of the work than would be the case if five students were working on the project. In general, the larger a group is, the greater is the potential for conflict, for duplication of effort (such as two group members performing the same tasks), and for low motivation.

To determine the best size for any group, managers have to balance the advantages of increasing group size (more skills and resources at the group's disposal and greater division of labor) and the disadvantages (more communication and coordination problems). Table 4.7.1 summarizes some of the potential advantages of small and large group size.

Table 4.1: Group size advantages

<table>
<tr><th>Potential advantages of smaller groups</th><th>Potential advantages of larger groups</th></tr>
<tr><td>Interactions among group members are more frequent.</td><td rowspan="2">Group has many resources at its disposal to accomplish its goals, including members' skills, abilities, knowledge, and experience.</td></tr>
<tr><td>Information is more easily shared among group members.</td></tr>
<tr><td>Group members recognize their contributions to the group.</td><td rowspan="3">Group can have a greater division of labor,
so group members focus on particular tasks, they generally become skilled at performing.</td></tr>
<tr><td>Group members are motivated and committed to the group's goals.</td></tr>
<tr><td>Group members are satisfied.</td></tr>
</table>

Source: Jones, G., R., 1984. p. 684 – 695.

Group composition

Group composition is the degree of similarity among group members. Members of a homogeneous group have many characteristics in common. These characteristics can be demographic characteristics (such as gender, race, socioeconomic background, cultural origin, age, educational background, or tenure with an organization), personality traits, skills, abilities, beliefs, attitudes, values, or types of work experience. A group of white men from the northeastern United States who all attended Ivy League colleges, did a summer internship at law firm, believe that their careers are one of the most important parts of their lives, and work for the same New York law firm is a homogeneous group. In contrast, a group of men and women of diverse races and cultural origins who possess degrees from both large and small state and private universities, have a variety of previous work experiences and differing beliefs about the centrality of work in their lives, and work for the same New York law firm constitute a heterogeneous group. Members of a heterogeneous group do not have many characteristics in common. Heterogeneous groups are characterized by diversity, homogeneous groups by similarity (George, J. M., and Jones, G. R., 1996, p. 306).

The relationship between group composition and group performance and the effects of group composition on the behavior of individual members are complex and little researched. On the one hand, people tend to like and get along well with others who are similar to themselves. Thus members of homogeneous groups may find it easier to share information, may have lower levels of conflict, and may have fewer problems in communicating and coordinating than do members of heterogeneous groups. On these grounds is expected the performance and goal attainment of homogeneous groups to be higher than that of heterogeneous groups. Because group members are more likely to get along with each other in homogeneous groups, also is expected their motivation and satisfaction to be high as well.

On the other hand, a group that is composed of people with different backgrounds, experiences, personalities, abilities, and "views of the world" may be better able than a homogeneous to make good decision because more points of view are represented in the group. A heterogeneous group may also be able to perform at a high level as the group has a variety of resources at its disposal. Because of their differences, group members may be more likely to challenge each other and existing ways of doing things, and the outcome may be valuable and needed changes and high performance.

To reap the advantages of heterogeneity, it is important for group members to understand each other's differences and points of view and use these diverse perspectives to enable the group to perform at a high level. Table2 summarize some of the potential advantages of homogeneous and heterogeneous (George, J. M., and Jones, G. R., 1996, p. 306 - 307).

Table 4.2: Group composition advantages

Potential advantages of homogeneous groups	**Potential advantages of heterogeneous groups**
Group members like and get along well with each other. Group members share information, have low levels of conflict, and have few coordination problems.	Group makes good decisions because diverse points of view are represented. Group performs at a high level because the group has a variety of resources at its disposal.

Source: George, J. M., and Jones, G. R., 1996, p. 306 -307.

Group function

Group function is the work that a group performs as its contribution to the accomplishment of organizational goals. A manufacturing department, for example, is a command that has the responsibility for producing the goods (automobiles, televisions) that an organization sells. The manufacturing department's function is to produce these goods in a cost-effective manner and maintain appropriate levels of quality.

Within the manufacturing department are small groups of workers responsible for performing a specific aspect of the manufacturing process. In automobile-manufacturing plant, for example, one group's function might be to make the automobile bodies, another's to attach the transmission to the body, and another's to paint the body. In fact, we can think of an entire organization as a series of groups linked together according to the functions they perform to help organizations achieve its goals.

The function of a group affects the behavior of group members by letting them know how their work behaviors contribute to the organization's achieving its goals. A group's function gives group members a sense of meaning and purpose. When group members see how the work of their group influences the work of the other groups and the extent to which their organization achieves its goals, they may become motivated to perform at a high level. Just as task significance- the extent to which a job affects the lives and work of other people-affects the intrinsic motivation of individuals, so does a group's function have the potential to affect the behavior of group members. To motivate group members to

perform at a high level, managers should tell members how their activities, behaviors, and the group's function contribute to organizational effectiveness.

Group status

The work that some groups in organization do is often seen as being more important to the organization's success than the work of other groups. Group status is the implicitly agreed-upon, perceived importance for the organization as a whole of what a group does. A top-manager team, for example, has very high status as it helps to set organizational goals and determine how the organization will achieve them. The work performed by a group of accountants who prepare quarterly profit-and-loss statements and balance sheets is certainly important; however, it is often seen as less central to the organization's performance as a whole than is the work performed by the top-management team. Thus the status of the group of accountants is lower than that of the top-management team. The more important the task performed by a work group or a group's function is, the higher is the group's status in the organization. Members of groups with high status are likely to be motivated to perform at a high level because they see their work as especially important for the success of the organization as a whole.

4.2.6 HOW GROUPS CONTROL THEIR MEMBERS, ROLES AND RULES

In order for any group to accomplish its goals, the group must control- that is, influence and regulate- its members' behavior. Controlling members' behavior is crucial whether a group's goal is writing superior computer programs, providing excellent customer service, raising quality levels, or cutting costs. Effective groups are groups that control their attainment of group and organizational goals. A group of waiters and waitresses in a restaurant, for example, needs to ensure that group members wait on customers promptly and courteously, do not wait on each other's tables or grab each others' food orders in the kitchen, and give customers their checks in a timely fashion. This group needs to control its members' behavior to ensure that the group achieves the restaurant's goal of providing high-quality customer service. Three mechanisms through which groups control their members' behavior are roles, rules, and norms.

Roles

A role is a set of behaviors or tasks that a person is expected to perform by virtue of holding a position in a group organization. When a group divides up its work and assigns particular tasks to individual members, different roles are established within the group. Sometimes organizations form cross-functional teams, groups with members from different functional areas within the organization. In cross-functional teams, a team member's role is likely to be representing his or her function's perspective on the group's project.

Roles facilitate the control of group members' behavior for several reasons. First, roles tell group members what they should be doing. Second, roles not only enable a group to hold its members accountable for their behavior but also provide the group with a standard from which to evaluate behavior.

In establishing a set of roles in a group, group members or managers also specify role relationships- the ways in which group and organizational members interact with one another to perform their specific roles. Role relationships may be formally specified in a written job description that outlines how a role occupant is expected to interact with others to accomplish the group's (or organization's) goals. Role relationships may also emerge informally over time (for example, at the storming or normalizing stages of group development) as group members work out among themselves methods for getting the group's job done.

A large part of a person's role in a group may not be specified but many emerge over time as members interact with each other. For example, one member of a group may assume significant task responsibilities for the group and emerge as an informal group leader because she has demonstrated

that she can perform these responsibilities effectively. Sometimes a manager notice that an informal leader performs certain tasks effectively and promotes the informal leader to become the new formal leader if the formal leader of the group leaves or is promoted. The process of taking the initiative to create a role by assuming certain responsibilities that are not part of an assigned role is called role making. In contrast, role taking is the performance of responsibilities that are required as part of an assigned role. Role taking is the common process of assuming a formal organizational role (George, J. M., and Jones, G. R., 1996, p. 311 - 312).

Written rules

Effective groups sometimes use written rules to control their members' behavior to ensure high levels of performance ant the attainment of group goals. Written rules specify behavior that are required of group members and behaviors that are forbidden. Rules that a group adopts are those that best aloe the group to meet its goals. Over time, groups should experiment with their rules and try to find better ones to replace those that currently exist.

Some rules that groups develop specify in writing the best way to perform a particular task. These rules help a group ensure that the task will be performed in the correct and most efficient manner.

Rules have several advantages in controlling and managing group members' behavior and performance:

- Rules help groups ensure that their members will perform behaviors that contribute to group and organizational effectiveness avoid behaviors that impair performance and goal attainment.
- Rules facilitate the control of behavior because group members and managers know how and when role occupants are expected to perform their assigned tasks.
- Rules facilitate the evaluation of individual group members' performance levels because their behavior can be compared to the behavior specified in the rule.
- When the membership in a group changes, rules help newcomers learn the right way to perform their roles.

A group can develop rules at any stage of its development. Rules developed at early stages are often changed or abandoned as the nature of the group's work, group goals or organizational goals change. A healthy group recognizes the need for change and is willing to change its rules (as well as it roles) when change is warranted**Groups norms**

Roles and rules help group members and managers control behavior in groups because they specify what behaviors group members should engage in so that the group will be effective, perform at a high level, and achieve its goals. Groups also control their members' behavior and channel it in the direction of high performance and group goal attainment by developing and enforcing norms (Hackman, J. R., 1992, p. 199 – 267). Group norms tell group members how they are expected to behave. Unlike written rules, which are formal descriptions of actions and behaviors required by a group or organization, group norms are informal rules of conduct for behaviors that are considered important by most group members; often they are not put in writing.

Groups enforce their norms by rewarding members who conform to the norm by behaving in the specified manner and punishing members who deviate from the norm. Rewards for conforming to group norms can include being treated in a friendly manner by other group members, verbal praise, receiving help from members when needed, and tangible rewards. Punishments for deviating from norms can include being ignored by other group members, being criticized or reprimanded, losing certain privileges, and being expelled from group.

Group norms are keys to how groups influence and control group members' behavior to ensure that the group achieves its goals and performs at a high level. When members share a common idea of

acceptable behavior, they can monitor each other's behavior to make sure they are following the group's norms.

Just like formal roles and rules, group norms develop to increase the ability of the group to control its members' behavior and channel their behavior in a direction that leaders to the achievement of group and organizational goals (J. R. Hackman, 1992, p. 47 – 53).

When norms exist, group members do not have to waste time thinking about what to do in a particular situation; norms guide their actions and specify how they should behave. Furthermore, when people share common norms, they can predict how others will behave in certain situations and thus anticipate one another's actions. This capability improves the efficiency of interactions between group members and reduces misunderstandings.

Why group members conform to norms

Individuals conform to group norms for three main reasons. The first and most widespread basis for conformity to group norms is compliance-assenting to a norm in order to attain rewards or avoid punishment (J. R. Hackman, 1992). When individuals comply with norms, they do not necessarily believe that following the norm will bring certain benefits and ignoring it will bring certain costs.

The second reason for conformity is identification- associating oneself with supporters of norm and conforming to the norm because those individuals do.

The third and potentially most powerful basis for conformity to group norms is internalization- believing that the behavior dictated by the norm is truly the right and proper way to behave. Norms have the most influence on group members when the basis for conformity is internalization.

4.2.7 SOCIALIZATION: HOW GROUP MEMBERS LEARN ROLES, RULES, NORMS

The ability of a group to control its members' behaviors depends on the extent to which newcomers learn the group's roles, rules, and norms. Newcomers do not know what is expected of them and what they can and cannot do (Jones, G., R., 1983, p. 464 - 474). A newcomer to a group of secretaries, for example, does not know whether it is all right to take a long lunch one day and make up the time the next day by working through the lunch hour or whether it is acceptable to work from 8:30 to 16:30 instead of from 9 to 17. Newcomers are outsiders, and only when they have learned the group's roles, rules, and norms do existing group members accept them as insiders. The process by which newcomers learn the roles, rules and norms of a group is socialization.

Socialization and role orientation

John Van Mannen and Edgar Schein developed a model of socialization that describes the different ways in which groups can socialize their members to ensure proper learning of roles, rules, and norms. How groups socialize newcomers, in turn, influences the role orientation that newcomers adopt (J. Van Mannen and E. H. Schein, in B. M. Staw, ed., 1979, p. 209-264).

Role orientation is the characteristic way in which members of a group respond to various situations.

Van Mannen and Schein identified six pairs of contrasting socialization tactics that influence a newcomer's learning and role orientation. The use of different combinations of these tactics leads to two different role orientations: institutionalized and individualized. In an institutionalized role orientation, newcomers are taught to respond to situations in the same way that existing group members respond to similar situations. An institutional orientation encourages obedience and conformity to existing roles, rules, and norms. Newcomers who have an institutionalized orientation are more likely to engage in role taking rather than in role making because this orientation emphasizes

the importance of following existing ways of doing things. In an individualized role orientation, individuals are taught that it is acceptable and desirable to be creative and to experiment with changing how the group does things (G. R.Jones, 1986, p. 262 – 279).

Although group members with an individualized orientation still need to learn and follow existing roles, rules, and norms, they realize that these ways of controlling behavior are not cast in stone and that the group will consider changing them if a more effective way of behaving is identified. Members with an individualized orientation tend to engage more I role making rather than in role taking.

Socialization tactics

The socialization tactics identified by Van Mannen and Schein are summarized in Table 4.7.3 Groups or organizations can use all six tactics or a subset of the six tactics, depending on their needs and goals. Each of the six tactics actually represents a pair of contrasting tactics from which a choice can be made.

Table 4.3: Socialization tactics that shape group members' role orientations

Tactics that lead to an institutionalized orienta	**Tactics that lead to an individualized orientation**
• Collective tactics • Formal tactics • Sequential tactics • Fixed tactics • Serial tactics • Divestiture tactics	• Individual tactics • Informal tactics • Random tactics • Variable tactics • Disjunctive tactics • Investiture tactics

Source: G. R.Jones, 1986, p. 262 – 279.

Socialization helps groups achieve whatever goals they have established by helping them control their member's behaviors. Whether a group needs to ensure that its members closely follow established ways of doing things or wants its members to suggest new ways of doing things, the group needs to exert control over its members' behaviors and actions to make this happen.

4.2.8 CONCLUSION

Work groups are the basic building blocks of an organization. Work groups use roles, rules and norms to control their members' behavior, and they use several socialization tactics to turn newcomers into effective group members. Groups contribute to organizational effectiveness when group goals are aligned with organizational goals. In this work were made the following major points:

- Two attributes separate the groups from random collection of individuals in an organization. Members of a work group (a) interact with each other and (b) perceive the potential for mutual goal accomplishment. The groups vary in whether they are formal or informal.
- Groups develop and change over time. The five-stage model of group development proposes that groups develop in five sequential stages: forming, storming, normalizing, performing and adjourning.
- Four important characteristics of group are size, composition, function and status. Each has the potential to impact the extent to which a group achieves its goals, performs at a high level and ultimately is effective in helping an organization attain its goals.
- All groups, regardless of their type or characteristics, need to control their members' behaviors to be effective and attain their goals. Roles and rules can be used to control behavior in groups. Roles have rights and responsibilities attached to group or organization. Role relationships are

the ways in which group and organizational members interact with each other to perform their specific roles.

- Written rules specify behaviors that are required of group members or are forbidden. They also specify how particular tasks should be performed.
- Groups also control their members' behavior be developing and enforcing group norms groups norms are shared expectations for behavior within a group.
- Group members learn roles, rules and norms through the process of socialization. Collective tactics, formal tactics, sequential tactics, fixed tactics, serial tactics, divestiture tactics tend to lead to an institutionalized role orientation. Individual, informal, random, variable, disjunctive and investiture socialization tactics ten to lead to an individualized role orientation.

Review questions

- How can be a group defined?
- What kind of group do you know?
- Is the distinction between the concept of formal and informal group a useful one?
- Is work in group more efficient
- Are there any difficulties of working groups?
- Can groups strengthen an organization?

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4.3 TEAMS WITHIN ORGANIZATION

"Trying to coordinate the activities of individualis like building a sandcastle using single grains of sand."(R.M. Belbin)

4.3.1 THEORETICAL INTRODUCTION TO THE TEAM BUILDING

Why do people work in teams in modern organizations and what evidence is there for their value?
As organizations have grown in size and become structurally more complex, the need for groups of people to work together in coordinated ways to achieve objectives which contribute to the overall aims of the organization has become increasingly urgent. The team rather than the individual is increasingly considered to be the basic building block of organizations. However, it is not easy to create an effective and good-working team. And this is the place, where the team building comes to mind.

Objective of this part of the work is to describe and evaluate the benefits of team building and justify the suitability of its utilization. For achieving of this goal there will be used the method of description, comparison and analysis .

4.3.2 DEFINITION OF THE TEAM

To live, to work and to play in human society is to cooperate with others. If we look more closely, we would be able to spot examples of human "teams" functioning either poorly or effectively all around us – at schools, work, home, church, clubs, community and service organizations or our favorite gas station. We express both our collective identity and our individuality in groups and organizations. We have, throughout our history, lived, loved, raised our young and worked together in groups (West, 2011, p. 7).

Our common experience of living and working together bind us with each other and with our predecessors. It is precisely because human beings have learned to work cooperatively together that we have made such astonishing progress as a species. When we work cooperatively we accomplish infinitely more than if we work individually. This is the principle of group synergy – that the contribution of the whole group is greater than the sum of its individual members´ contributions.

The problem is that although the "teams" are almost everywhere, the most of the people have not actually had a "real team experience". People can work in the same department for years, serve on committees, meet in different groups regularly, and still not be a part of a "real team".

"To function effectively, members of a team must be flexible, trusting of the other team members and wholeheartedly supportive of every member of the group in its progress toward its goals," (Plamínek, 2008, p. 17). Perhaps one of the best examples of true teamwork is that of surgical team, which is headed usually by a surgeon and includes surgical assistants, nurses, the anesthetist and technicians. Each function is specialized and highly skilled and each person knows that his or her success is dependent on the members of the team. All are committed to the one objective: the well-being of the patient. It is not easy to achieve this high level of good teamwork, but after taking a substantial amount of time to develop the team effectiveness, it is possible.

And this is the role of the team building - to foster morale, trust, cohesiveness, communication and productivity and, above all, to help a group function as a unit.

Different authors present different definitions of the team.

Dyer (2007, p. 4) claims that "teams are collections of people who must rely on group collaboration if each member is to experience the optimum of success and goal achievement." According to Parker (2002, p. 2), "a team is group of people with a high degree of interdependence, geared toward the achievement of a goal or the completion of a task." "Team members agree on a goal and agree that the only way to achieve the goal is to work together," (West, 2011, p. 17). Kolajová (2006, p. 15) declares: "Team is the small group of people with supplementing skills devoted together to the common objective, work goals and work approach, which they are together responsible for."

On the basis of these definitions we can say that the most distinguishing characteristic of a team is that its members have, as their highest priority, the accomplishment of team goals. They may be strong personalities, possess highly developed specialized skills, and commit themselves to a variety of personal objectives they hope to achieve through their activity, but, to them, the most important business at hand is the success of the group in reaching the goal that its members, collectively and with one voice, have set. The members support one another, collaborate freely and communicate openly and clearly with one another.

On the other hand, most non-team groups tend to be collections of personalities with their own agendas, which may be more valuable to those personalities than the agenda that the majority of the group members seek to fulfill. Discussions and relationships in such groups are often characterized by shifting agendas, power subgroups, a going along with decisions rather than a wholehearted commitment and even a win-lose orientation - one person or subgroup gains its wishes over another.

Following Table 4.4 summarizes main differences between the group and the highly effective team.

Table 4.4: Differences between the group and the highly effective team

Attribute	Group	Highly effective team
Members´ interests	Mostly following own interests	Swing
Aims	Following different aim	Following one (the same) aim
Priority	Personal interests	Team membership
Organization	Negligent and non-committal	Clear, solid and definite
Motivation	Coming from outside (It must be done.)	Coming from inside (It is wanted to be done.)
Competition	Mutual competition between the members	Outwards focused competition
Communication	Partly open and partly hidden	Open information process and feedback
Mutual trust	Lack of mutual trust	High level of mutual confidence

Source: Self working-out according to the Krueger, 2004, p. 13 – 15

4.3.3 TYPES OF TEAMS

Over the years, the scientific literature has conceptualized several types of teams. They've been based on different classifications, dimensions, and features. Six major types of teams are:

1. informal,
2. traditional,
3. problem solving,
4. leadership,
5. self-directed,
6. virtual teams.

"Informal teams are generally formed for social purposes," (Kolajová, 2006, p. 23). They can help to facilitate employee pursuits of common concerns, such as improving work conditions. More frequently, however, these teams form out of a set of common concerns and interests, which may or may not be the same as the organization's aims. Leaders of these teams generally emerge from the membership and are not appointed by anyone in the organization.

Traditional teams are the organizational groups commonly thought of as departments or functional areas. Leaders or managers of these teams are appointed by the organization and have legitimate power in the team (Bělohlávek, 2008, p. 68).

Problem-solving teams or task forces are formed when a problem arises that cannot be solved within the standard organizational structure. These teams are generally cross-functional, that is, the membership comes from different areas of the organization. These teams are charged with finding a solution to the problem.

Leadership teams "are generally composed of management brought together to span the boundaries between different functions in the organization," (Stuchlík, 2008, p. 40).

Self-directed teams are given autonomy over deciding how a job will be done. These teams "are provided with a goal by the organization, and then determine how to achieve that goal. Frequently there is no assigned manager or leader and very few, if any, status differences among the team members. These teams are commonly allowed to choose new team members, decide on work assignments, and may be given responsibility for evaluating team members" (Stuchlík, 2008, p.43).

"Technology is impacting how teams meet and function. Collaborative software and conferencing systems have improved the ability for employees to meet, conduct business, share documents, and make decisions without ever being in the same location," (Kolajová, 2006, p. 29). While the basic dynamics of other types of teams may still be relevant, the dynamics and management of virtual teams can be very different. Issues can arise with a lack of facial or auditory clues; participants must be taken at their word, even when video-conferencing tools are used. Accountability is impacted by taking a team virtual. Each member is accountable for their tasks and to the team as a whole usually with minimal supervision. Key factors in the success of a virtual team are effective formation of the team, trust and collaboration between members and excellent communication.

Main characteristics of the six mentioned types of teams are involved in Table 4.5.

Table 4.5: Six types of teams

Type of team	Main Attributes
Informal	• Social in nature • Leaders may differ from those appointed by the organization
Traditional	• Department´s/functional areas • Supervisors/managers appointed by the organization
Problem-solving	• Temporary teams • Frequently cross-functional • Focused on particular project
Leadership	• Steering committees • Advisory councils
Self-directed	• Small teams • Little or no status differences between team members • Have authority to decide how to get the work done
Virtual	• Geographically spread apart • Meetings and functions rely on available technology

Source: West, 2011, p. 74.

4.3.4 TEAM MEMBERS AND THEIR ROLES

Forming an effective team is more complex than simply throwing a group of people together, assigning them a task and hoping for the best. Potential team members need to be interviewed and their skills and knowledge should be assessed. Issues to consider in selecting team members include the individual's motivation with respect to both - the team and the task at hand, the attitudes and goals of potential team members, potential problems with intragroup relationships and potential problems with relationships with external groups.

There are tools to asses individuals in relation to teams. Most personality instruments and ability tests can examine the strength and weaknesses of team by looking at the feedback collectively. However, there are also other instruments which are more explicitly designed for team building, e.g. the Belbin´s team roles theory, which identifies people in terms of their team roles. Belbin (2010, p. 25 – 39) discovered these nine team roles whilst studying numerous teams at Henley Management College. This takes as its starting point the view that although it may be impossible to find a perfect individual, it is possible to bring together high-quality teams and can help those teams overcome their weakness and build together high-quality strengths.

The examined roles are outlined in Table 4.6.

Table 4.6: Belbin´s team roles theory

Overall	Belbin´s role	Description
Leading	Coordinator	Respected leader who helps everyone focus on their task. Can be seen as excessively controlling.
	Shaper	Lots of energy and action, challenging others to move forwards. Can be insensitive.
Doing	Implementer	Well-organized and predictable. Takes basic ideas and makes them work in practice. Can be slow.
	Completer/Finisher	Reliably sees things through to the end, ironing out the wrinkles and ensuring everything works well. Can worry too much and not trust others.
Thinking	Monitor/Evaluator	Sees the big picture. Thinks carefully and accurately about things. May lack energy or ability to inspire others.
	Plant	Solves difficult problems with original and creative ideas. Can be poor communicator and may ignore the details.
	Specialist	Has expert knowledge/skills in key areas and will solve many problems here. Can be disinterested in all other areas.
Socializing	Resource investigator	Explores new ideas and possibilities with energy and with others. Good networker. Can be too optimistic and lose energy after the initial flush.
	Team worker	Cares for individuals and the team. Good listener and works to resolve social problems. Can have problems making difficult decisions.

Source: Self working out according to Belbin, 2010, p. 25-39

A Co-coordinator is a likely candidate for the chairperson of a team, since they have a talent for stepping back to see the big picture. Co-coordinators are confident, stable and mature and because they recognize abilities in others, they are very good at delegating tasks to the right person for the job. The Co-coordinator clarifies decisions, helping everyone else focus on their tasks. Coordinators are sometimes perceived to be manipulative and will tend to delegate all work, leaving nothing but the delegating for them to do.

The Shaper is a task-focused individual who pursues objectives with vigor and who is driven by nervous energy and the need to achieve - for the Shaper, winning is the name of the game. The Shaper is committed to achieving ends and will ‘shape’ others into achieving the aims of the team. He or she will challenge, argue or disagree and will display aggression in the pursuit of goal achievement. Two or three Shapers in a team, according to Belbin, can lead to conflict, aggravation and in-fighting.

The Implementer takes their colleagues' suggestions and ideas and turns them into positive action. They are efficient and self-disciplined, and can always be relied on to deliver on time. They are motivated by their loyalty to the team or company, which means that they will often take on jobs everyone else avoids or dislikes. However, they may be seen as closed-minded and inflexible since they will often have difficulty deviating from their own well-thought-out plans, especially if such a deviation compromises efficiency or threatens well-established practices.

The Completer/Finisher is a perfectionist and will often go the extra mile to make sure everything is "just right," and the things he or she delivers can be trusted to have been double-checked and then

checked again. The Completer/Finisher has a strong inward sense of the need for accuracy and sets his or her own high standards rather than working on the encouragement of others. They may frustrate their teammates by worrying excessively about minor details at the expense of meeting deadlines and by refusing to delegate tasks that they do not trust anyone else to perform.

Monitors/Evaluators are fair and logical observers and judges of what is going on in the team. Since they are good at detaching themselves from bias, they are often the ones to see all available options with the greatest clarity and impartiality. They take a broad view when problem-solving and by moving slowly and analytically, will almost always come to the right decision. However, they can become very critical, damping enthusiasm for anything without logical grounds, and they have a hard time inspiring themselves or others to be passionate about their work.

Plants are creative, unorthodox and a generator of ideas. If an innovative solution to a problem is needed, a Plant is a good person to ask. A good Plant will be bright and free-thinking. Plants can tend to ignore incidentals and refrain from getting bogged down in detail. The Plant bears a strong resemblance to the popular caricature of the absent-minded professor/inventor, and often has a hard time communicating ideas to others. Multiple Plants in a team can lead to misunderstandings, as many ideas are generated without sufficient discernment or the impetus to follow the ideas through to action.

Specialists are passionate about learning in their own particular field. As a result, they are likely to be a fountain of knowledge and will enjoy imparting this knowledge to others. They also strive to improve and build upon their expertise. If there is anything they do not know the answer to, they will happily go and find out. Specialists bring a high level of concentration, ability, and skill in their discipline to the team, but can only contribute on that specialism and will tend to be uninterested in anything which lies outside its narrow confines.

The Resource investigator gives a team a rush of enthusiasm at the start of the project by vigorously pursuing contacts and opportunities. He or she is focused outside the team, and has a finger firmly on the pulse of the outside world. Where a Plant creates new ideas, a Resource Investigator will quite happily appropriate them from other companies or people. A good Resource Investigator is a maker of possibilities and an excellent net worker, but has a tendency to lose momentum towards the end of a project and to forget small details.

A Team worker is the oil between the cogs that keeps the machine that is the team running smoothly. They are good listeners and diplomats, talented at smoothing over conflicts and helping parties understand one other without becoming confrontational. Since the role can be a low-profile one, the beneficial effect of a Team worker can go unnoticed and unappreciated until they are absent, when the team begins to argue, and small but important things cease to happen. Because of an unwillingness to take sides, a Team worker may not be able to take decisive action when it is needed.

It is important to remember that “effective teams are generally made up of a variety of personalities. The selection process needs to be structured so that it is not biased toward one personality type,” (West, 2011, p. 89). An effective team needs both the thoughtful, detail-oriented individuals, as well as the outgoing, insightful individuals.

4.3.4 TEAM BUILDING

The purpose of the team is to bring together individuals with different backgrounds, skills and abilities to solve problems or accomplish a set of goals and objectives working together that would be impossible to achieve working alone. Without diversity, the team will experience gaps in performance in areas in which individual members are weak. The key to building a powerful and effective team is recognizing and then maximizing the strengths and abilities of individual group members while minimizing their weakness. All of us are products of our own unique knowledge and experience. Utilizing the cumulative knowledge of the group and taking advantage of each individual’s unique experience is what building a quality team is all about. But there is more to it than just that.

Team building is “the cooperative process that a group or individuals uses to solve both physical and mental challenges, the group learns how to share ideas, how to praise and encourage one another, how to support one another physically and emotionally, and how to start becoming a team,” (Midura – Glover, 2009, p. 1). It teaches individuals how to be a good teammate while struggling to solve a challenge, forces individuals to change ideas and work together to solve a problem, to listen to one another, to deal with failures, to value the teamwork and to persevere as a team.

Belbin (2010, p. 65) emphasizes that team building is pursued via a variety of practices and can range from simple bonding exercises to complex simulations and multi-day team building retreats designed to develop a team (including group assessment and group-dynamic games), usually falling somewhere in between. Team building is an important factor in any environment, its focus is to specialize in bringing out the best in a team to ensure self development, positive communication, leadership skills and the ability to work closely together as a team to problem solve.

According to this we could state that the aim of the team building is “to help people who work together to function more effectively in teams and to assist the team itself to work more effectively as a whole,” (Moxon, 2008, p. 28).

But it is very important to be aware of one basic fact - team building is not to be confused with "team recreation" that consists of activities for teams that are strictly recreational. Team building activities are specific chosen activities, which should strengthen concrete teams, teach them something about the individual team members and their cooperation, point out to existing problems and indicate possibilities of their solutions. The key factor that distinguishes the team building activities from team recreation activities is the feedback. Just due to feedback team building participants think about their experiences and analyze their behavior.

The most successful teams go through five stages of team building and development. Table 4.7 outlines these stages.

Table 4.7: Five stages of team building and development

Stage	Attributes
Forming	• Assess the ground rules • Gather information about group goals
Storming	• Initiate conflict with other team members • Find mutually acceptable resolutions
Norming	• Build cohesion • Develop a consensus about norms
Performing	• Channel energy toward the task • Apply problem-solving solutions generated in the previous stages
Adjournment	• Disengagement after successful completion of goals • Regrets at team break-up

Source: Schneider, 2003, p. 17 – 18.

Forming is the stage when team members become acquainted with one another. They also assess the group task and the ground rules that will apply to that task. At this stage everyone is typically very polite and willing to go along with suggestions made by other team members. Team members try to avoid making enemies and are frequently more patient with one another than they might be later in the process.

As the novelty of being a member of the team wears off, conflict emerges. Members of the team emerge who want to exert greater influence over the process. Leadership struggles begin, as do interpersonal conflicts. Conflicts erupt over the task requirements and the best way to achieve that task. This is the storming stage at which listening and finding mutually acceptable resolutions to the conflict is most important. The team can either emerge united and ready to take on the assigned task, or divided, with some members taking a passive role.

In the norming stage team members make an effort to discover what standards of performance are acceptable. What do deadlines really mean? How high a level of quality is necessary? Does every member have to be at every meeting? What about developing sub-teams? If the team can establish harmonious relationships at this stage, they are ready to move on to the performing stage. Some teams, however, disband at this stage.

At the performing stage the team is ready to be productive and work on the task assigned. Team members' roles have been established and clarified. Group interaction should be relatively smooth as the team applies some of the problem-solving skills it learned in earlier stages to the task at hand. If the team has reached this stage without successfully working through the problems and issues of the earlier stages, it may disband or regress and work through those issues.

The final phase is adjournment. At some point almost all teams are disbanded, whether their task is completed or a team member leaves. On the one hand this can be a happy stage, with members congratulating one another on a job well done. On the other hand adjournment means the disruption of working arrangements that may have become comfortable and efficient, and possibly the end of friendships.

4.3.5 BENEFITS OF TEAM BUILDING

The major impetus for organizations to embrace the team concept is the effort to improve productivity and quality. Teams are a key component of many total quality management programs. In addition to improved productivity and quality, according to Maddux and Wingfield (2003, p. 46), some of an organization's major benefits from the use of teams are:

- improved quality of work life for employees,
- reduced absenteeism and turnover,
- increased innovation and
- improved organizational adaptability and flexibility.

Effective teams frequently improve the quality of work life for the employees. An effective team is generally one in which members are empowered to make decisions about how to get work done. Giving team members authority and control over the work processes reduces the amount of external control and increases the sense of ownership and accountability for the work being done. This helps to create a satisfying and rewarding work environment.

A satisfying and rewarding work environment helps to lower absenteeism and turnover. Teams are particularly effective in this area. Plamínek (2008, p. 53) states that “membership in a work team gives an employee a sense of belonging, interaction with others on a regular basis, and recognition of achievements.” All of these help to eliminate a sense of isolation within the organization. Team members identify with and feel pride in the work they are doing and come to rely on one another being there. At some companies, employees are evaluated based on their contribution to their team's efforts.

An excellent example of a firm that utilizes the team concept and has a strong record of innovation is W.L. Gore & Associates. It is a multinational company structured around the concept of small plants (no more than 250 employees) where everyone works in teams. Everyone is allowed to experiment with the products and develop new uses. The result is that the company has a continuous stream of patent applications and has been successful in developing new products in areas as diverse as clothing, surgical supplies, and coatings for industrial use (Moxon, 2008, p. 88).

Moxon (2008, p. 92) gives also the good example of the company taking the benefit of the improved organizational adaptability and flexibility. During the 1980s Ford was able to reduce its automobile design cycle by implementing Team Taurus. Through the early involvement of employees from planning, designing, engineering and manufacturing, the company was able to eliminate some of the bottlenecks that had delayed the design process. The involvement of suppliers and assembly workers helped to decrease the number of parts involved and lower costs. Reducing the time from design to manufacture helped Ford to be more responsive to market changes and increase its market share in the 1980s and '90s.

Effective implementation of teams can also improve office politics by improving the communication and trust between the team members. Improved quality of work life and a reduction in absenteeism and turnover all contribute to a positive impact on the bottom line. Involving employees in teams helps the organization remain open to change and new ideas.

As long as teams are seen as a means of improving the organization's ability to meet competitive challenges, teams will be part of the business world.

4.3.6 CONCLUSION

"The world and the world of business are changing.
Individualism is out, teamwork is in.
Rigid organizational lines are out, fluid collaboration is in.
Power is out, empowerment is in."
(G. M. Parker)

At the basis of human society, of family and of all social functioning is the question of how people can combine their efforts and imaginations to work in way that enhance the quality of life through the achievement of their shared goals.

The answer is that if we are able to work cooperatively we can always achieve much more than by working as individuals. Although, it is not easy to build an effective team, there are ways how to accomplish it. Our experiment survey has proved that this way is called team building. Team building is a human process. It involves human feelings, attitudes and actions. It is something that people have to accomplish among themselves. It is not possible to substitute high-paid consultants, complex design or fancy resorts for human beings making mutual commitment to try work together more effectively.

And how can we interact and cooperate effectively in order to achieve the set aims? The seminar paper does not give the answer on this question, because it is not possible to make a simple list of solutions to it since there is no easy way of creating effective teams. The world in which we are living changes too rapidly for any single set of prescriptions to be adequate. Change is endemic and this demands flexible individuals, flexible teams and flexible organizations, if they are to be effective and survive. But what this seminar paper does suggest is that teams, like individuals, must wisely use the unique and immensely powerful capacities humans possess. We have consciousness and we can manipulate it to learn. What we are able to do – and no other animal can – is to reflect upon our experiences and consciously adapt what we do to meet our changing circumstances.

We can use the ability to learn with help of team building activities to raise the spirit of teamwork ever more effectively rather than relying on simplistic tips that fail to work in the wide variety of situations faced by teams at work.

Review questions

- Try to define the difference between the "group" and "highly effective team".
- What is the aim of team building?
- In your opinion, what type of person makes the best team member?
- In your opinion, are there any situations when team building should not be used?
- In your opinion, are there any risks of team building?

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4.4 GROUP DYNAMIC AND TEAM EFFECTIVENESS

4.4.1 INRODUCTION

Group dynamics and team effectiveness is a very popular trend in contemporary organizations regardless of size. Managers need to keep in mind that teams are often the solution to one set of problems but the source of a second set of problems. Nowadays, organizations have big difficulties with finding people with good teamwork skills. In this seminar paper I will review some of the theories of group dynamics and team building. Fist I will begin by formation and development of groups, later I will show main differences between group and team and present few of the most important keys of team effectiveness.

The subjects of group dynamics and team effectiveness are broad. One can study each of these topics for years and still have more to learn. There are many ways to approach each. A simple Internet search will result in thousands of websites on either group dynamics or team effectiveness. These subjects are important because they influence how productive a group or a team becomes. By understanding group dynamics and by doing some team building, a group can increase how much it accomplishes.

The term "group dynamics" refers to the interactions between people who are talking together in a group setting. Group dynamics can be studied in business settings, in volunteer settings, in classroom settings, and in social settings. Any time there are three or more individuals interacting or talking together, there are group dynamics. A great deal can be learned by observation. If one sits back quietly in a group — any group — one will begin to see certain behavioral patterns emerge. There will be at least one person who tends to take the lead in conversation, offering his or her thoughts and opinions freely. There will be at least one person who remains quiet, sometimes not even appearing interested in the conversation. There may be someone who tends to interrupt other people, someone who wants the conversation to move along faster, or who wants to focus on a different subject. Another person may be concerned about peoples' feelings and may try to make everyone feel equally welcome. These are only a few of the roles that people assume without even thinking about it when they are in a group setting. Group roles are largely determined by a combination of a person's personality and his or her experience with group settings. A person who is shy is more likely to sit back in a group. A person who is impatient is more likely to push the discussion ahead. A person who is very confident will offer more opinions.

Group interacts can be improved in several ways. There are training programs to attend and there are tests one can take to learn about one's communication style. Perhaps the simplest way to improve a group's dynamics is for one or more group members to learn to manage the discussion, and thus help a group accomplish its goals. By "manage" we mean respond to and redirect the behavior or participation of an individual to a direction that is better for the group. Whether or not the group is managed, group roles will occur. By learning about the typical kinds of behavior that emerge, and how to respond to them appropriately, one can improve the effectiveness of group discussions.

There are a variety of other roles that may emerge in a group. In addition to being influenced by culture, roles are influenced by gender, age, race/ethnicity, religious tradition, and other traits. For most people, though, it is sufficient to know that group settings do bring out certain behaviors, and an effective group is one in which those behaviors are channeled positively to move the agenda forward.

Since group dynamics and team building are based fundamentally on the relationships among the people involved, it is both courteous and sensible to assure that the members all are introduced to each other, and that they are offered opportunities to get to know each other and to build relationships. A group or team with members who know each other well is likely to be more effective. People tend to

offer more of themselves when they are with people whom they know than when they are with strangers.

Groups function always within a wide environment. This environment comprises other groups and individuals. That brings along several implications for the functioning of any group. There is for example the existence of a need for communication and interaction between group members. Also there will be inside and outside an organization - a need to engage in communication and interaction within other groups. Then the existence of a need to achieve the objectives implicates the functioning of a group as well as the need to channel and control the activities of group members in order to gain the group objectives. Furthermore there is the fact that a group needs the co-operation and support of other individuals and groups to achieve the desired aims. These are all issues with have to be considered when talking about group dynamics and effectiveness.
1
This chapter discusses how groups within an organization function. It begins with a consideration of communication and behavior which are taking place within groups. Thereby it describes how the behavior within groups can be controlled. This is followed by a mention of decision-making aspects. What actual happens when group members interact with each other is then explained at the point 'group dynamics'. In this context it also explains the group dynamics between groups. Finally the effectiveness of group activity and member satisfaction are considered.

4.4.2 COMMUNICATIONS WITHIN GROUPS

Working in a group means first of all interacting with each other; as a group member you have to communicate with the others. Group communication can be sophisticated in different patterns, whereby the significant ones are Chain, Wheel, All channel, Ys and Circle. These communication networks have various effects on group properties such as the capability of the individual group members to conducive to group decision making. The several patterns of communication can be differenced in patterns with "a focal person through whom the essentially linear communication patterns pass (Martin, p. 209) namely Wheel and Y, and patterns without a dominant individual, which are Chain, All channel and Circle. It is clear that such different patterns of communications have different implications for the work of the group, the degree and quality of discussion within the group and the ways of decision making. For example, a simply task can be managed most effective by using the wheel pattern of communication. In this way central person could handle the task alone supported by the other members. However, in complex decision situations it is more effective to have a great involvement from members (Martin, p. 210).

4.4.3 GROUP DYNAMICS

Group dynamics explain what actually happens when group members communicate with each other and work together. There are aspects of group dynamics which show the relationships of the members to their group.

Cohesion

Cohesiveness represents the strength of the feelings of togetherness among the members of a group (Martin, p. 220). If a group is just a lax being together of people, they do not have a strong relationship to the other group members or they are not that target orientated. These kinds of groups have just a weak level of cohesion. In contrast, members of groups with a strong level of cohesion are focused on achieving the purposes. For that they show patterns of behavior which also support each group member. Cohesive groups achieve their objectives more often and also work on their tasks with more energy.

The level of cohesion is affected by a variety of factors. There are environmental factors which could contain threats to the group and the wanting to obtain rewards. Then there are organizational factors such as the kind of the task which is to be managed, the noticed group status and the relevance of the assignment to the organization. Furthermore group factors, which could be the size of the group, the personality of the leader, the rate of interaction and the timeframe within the objectives should be achieved. Finally the level of cohesion is also influenced by individual factors which can include the need of individuals to be a member of the group, how strong the commitment to the objectives is, the awareness of the intentions of other members and to realize the forces which affect the situation.

Groups which are strongly cohesive "deliver the highest level of productivity", 18 as long as they bent on the management-determined aims. It should be noted that groups with a strong level of cohesion could place their group interests above the intentions of management. It exists the danger that such groups can become an own organization (Schermerhorn/Hunt/Osborn, p. 123).

Risks and group decisions

Contrary to an individual alone groups tend to make decisions that contain a greater risk, this is called the risky shift phenomenon. To explain this phenomenon there are some propositions. One of them is the responsibility diffusion. That means that the responsibility of work and result is spread out between all the members of the whole group. There is not only one person who has to take responsibility for mistakes all alone. Then there are cultural values. If the group members are willing to take risks in their usual life, that might influence the decision making within the group. Also rational decision making is one possible explanation for the risky shift phenomenon. By utilizing all the different skills of the individual group members in the process of discussion, there will be a superior result comparing to a decision made by one person alone. Furthermore, majority decision making is another explanation. If the group makes decisions easily by majority voting they will probably not discuss the task in great detail before they decide, which means that they only talk about the necessities and in doing so they may not consider possible risks. Eventually there is the polarization. Discussions in a group can bring changes in attitudes of the members about. They might be pushed to represent more extreme positions (Martin, p. 221).

Groupthink

Another aspect which shall be mentioned referred to group dynamics is groupthink. It is a potential disadvantage of decision making, because the group members of highly cohesive groups tend to lose their ability to make critical judgments. Their desire to keep the group together leads to "an overemphasis on agreement and an underemphasized on critical discussion (cf. Schermerhorn/Hunt/Osborn, p. 124). That may bring about inferior decisions (Ibid.).

To make out if a group suffers from groupthink there are a number of symptoms which might show this. When the group is convinced that they are invulnerable, this could be to the disfavor for group decisions. Also if the group members "rationalize any evidence or opinion that might suggest an opposing point of view" ((Martin, p. 226). Next up the morality in the group, it might effect members to expect that every decision by the group is moral right. As well the values within the group could bring about disregard towards information from the outside which would actually be useful. Then the chairperson can use direct pressure to make sure that all members agree to the proposal he suggests. Another symptom is self censorship, wherewith the group conceals any doubts and ensures the group cohesion. Next, if the group shows unanimity it could actual just exclude contrary opinions. What's more, a group can have informal 'mind guards' who filter information flows and so shield the group from negative commentary (Martin, p. 226).

To protect the group against groupthink some mechanisms exist. To mention a few examples, the group could let the junior members allow to speak first, so that they are not already influenced or even intimidated by the weighty arguments of senior members. The group could also use subgroups for more extensive research, the chairperson could encourage the members to express any doubts and the group could as well search for viewpoints of outsiders. And the group could assign a devil's advocate,

who forces the group to consider alternative aspects and prevent them from just accompanying with the usual case. These mechanisms "are intended to offer a group the opportunity to explore different and possibly divergent or contradictory perspectives before beginning collectively to focus on workable solutions to the problem under review" ((Martin, p. 227). However, it should be considered that those mechanisms might have negative influence on group hierarchy and group organization (Martin, op. cit., p. 227).

Freud, psychotherapy and group dynamics

Before groups are able to work effectively, they have to come to terms with their own internal functioning. After Freud the libidinal impulses create the links between individuals and help to preserve the group.

Moreover Freud explains the competition between members of the group to that effect that they try to become the new leader. By all means, this let us pay attention to the emotional power which exists within a group. A group is able to create "powerful forces in favor of conformity, and indeed rebellion" (Martin, op. cit., p. 228). Furthermore, in group activity exists always a conscious and an unconscious level of behavior.

The work of Bion in relation to group dynamics showed that much group experience was the result of conflict between three aspects of group life. Firstly the individual and their needs, secondly the group mentality and thirdly the group culture. The tensions which exist between these three aspects bring about a grouping within the group. These groupings try to resolve the tensions for the group members ((Martin, op. cit., p. 228).

Group dynamics - another view

The dynamic processes within a group can be described by a number of interactions between the elements of group behavior, which are following:

The size of the group. A large group implies a very complex communication process. The range of experience increases with the number of group members, but many participants means also that any of them can make less contribution. In addition, a very large group signifies a bigger need for rules and procedures, a longer duration for decision-making processes and the tendency to built subgroups within the group.

The group norms. If members of a group do not obey the rules which are determined by the group, the group can impose sanctions.

The purposes of the group. Both objectives set for the group and the member satisfaction are the outputs of a group. And both are needed to speak from a successful group.

The characteristics of the group members. Within a group are many different types of people. That means also the styles to solve problems differ. If one of those styles prevails, a decision could be made very quickly. But that could also bring about problems like the groupthink phenomena.

The roles within group. Various roles mean various patterns of behavior of the group members. To give an example, Hoffmann describes three categories of roles to explain what may exist to achieve an effective group, the task, relationship and individual roles. The task roles promote the achievement of the purposes. Then the relationship roles help to sustain the group during its activity. The individual roles at last care for the needs of each group member within the group.
The cohesion. That refers to how strong the 'we-feeling' within a group exists.

The leadership. The setting of the patterns of behavior is mainly influenced by the approach of the group leader.

The decision making. There are different ways of making decisions within a group, what may have influence on the final outcomes.

The interpersonal relationships. "The way in which the individuals relate to each other within a group can also have a major impact on the outcomes (Martin, op. cit., p. 231).

The environment. The surroundings within a group functions plays a major role for the workings of a group.

Those features interact with each other, that means the way in which one of those elements exist within a group has influence on the way in which another element exists, they influence each other. That again has influence on the final output of the group and the level of member satisfaction (Martin, op. cit., p. 229).

4.4.4 DYNAMICS BETWEEN GROUPS

A group always interacts not only within the group but also with other groups. Beside the necessary communication with various groups which are part of an organization, the group members also interact with less formal groups like their family.

The relationships that exist between groups are affected by several intervening variables which are following (Martin, op. cit., p. 232) :

The objectives that each group has. Depending on "how each group perceives its own and the others' objectives (Martin, op. cit., p. 233), the relationship is affected in a different way.

The task competition. Strongly linked groups are more probable to develop a power basis to the relationship between them.

The resource competition. Groups can be in a competition for financial resource, so that they either are in rivalry to each other or they are able to come to a compromise.

Uncertainty. The groups do not trust each other because they can not be sure about the motives or purposes of the other groups.

The inter-group relations. Former experiences of groups in interacting with each other may influence the prospective behavior.

Attitudes. Most commonly, the relationships between groups are grounded on attitudes developed over plenty of years.

Overlap. Different groups with similar tasks have to find rules for the competition for members.

Substitutability. The possibility for a group to choose between two or more groups provides a rate of control.

4.4.5 GROUP EFFECTIVENESS AND SATISFACTION

Group effectiveness should be measured against two outputs, which are the achievement of objectives in a productive way and the member satisfaction level with the experience.

Group effectiveness and member satisfaction

It is not said that groups which achieve their objectives productively also show a high level of member satisfaction. The other way round, group members who have a very good time while doing group work may fail in managing their tasks in a productive way. To measure now group effectiveness it is necessary to have a look on both elements.

After McGregor you have to consider the commitment of individuals to the group and to the achievement of the objectives to measure if groups work effectively. He differentiated effective and ineffective groups, the features describing those are includes as following Table 4.8:

Table 4.8:Features of effective and ineffective groups

Dimension	Effective ~roup	Ineffective ~roup
1 Atmosphere	Informal, comfortable, relaxed	Indifference, boredom, tension
2 Discussion	Participative, pertinent to task	Dominated by a few people, drifts off point
3 Objectives	Understood and accepted by all	Lack of clarity, not fully accepted by individuals
4 Active listening	Members listen to each other, contribution to debate and ideas	Pusching of own ideas, no evidence of building on others, talking for effect
5 Disagreement	Brought into the open and resolved or accepted	Not resolved, suppressed by leader, perhaps warfare domination is the aim
6 Decision making	By consensus	Premature decisions and actions before full examination. Simple majority voting
7 Criticism	Frank but not personal	Embarrassing, tension producing. Involves personal hostility, destructive approach
8 Feelings	Expressed on group activity as well as ideas. Few hidden agendas	Hidden, not thougth appropriate to group activity
9 Action	Clear allocation and acceptance	Unclear in allocation, lack of commitment to achieve result
10 Leadership	Not chair dominated, 'experts' lead depending on circumstances, no power struggles	Chair dominated
11 Reviews	Self-consciousness about present operations, frequent reviews	No discussion of group maintenance issues

Source: Adapted from: Martin, p. 236.

Belbin' s team roles

A Belbin's model has significant implications for group effectiveness and member satisfaction. Belbin described team roles which are following (Belbin, M., 1993, p. 23):

- the plant
- the resource investigator
- the co-ordinator
- the shaper
- the monitor evaluator
- the team worker
- the implementer
- the completer
- the specialist

He says that it is the balance between the contributions of each role that delivers the opportunity for the group to make 'good' decisions through allowing the dynamic between individuals to form a complementary process .
After Belbin there are attributes of successful and unsuccessful teams. An unsuccessful team could for example show a lack of mental ability. If there is not one person who has highly creative skills or the ability to analyze, the group will certainly fail. Another reason could be that the team composition is not the right one, so deficiencies in the organization bring about failure. Furthermore, group members without a clearly defined team role might destabilize the whole group. Also failure may caused by corporate influences, such as constraints which interfere the group work.

Attributes of a successful team could for example be a very creative and clever person who brings his or her ideas effectively into the group work. Also wide team role coverage within the group is advantageous for the group work, because it ensures effective and balanced interaction. Then successful teams find the balance of team roles and personal attributes within the team.

The Margerison-McCann Team Management Wheel

Margerison and McCann developed the so called Team Management Wheel to describe "that people have particular work preferences that relate to the roles they play in a team (Martin, op. cit., p. 231). The wheel shows following characteristics:

Creator-Innovators: Individuals who are independent and able to reconsider the way of how things are done currently.

Explorer-Promoters: Individuals who investigate new ideas and suggest them to others.

Assessor-Developers: Individuals who are able to link the creative and operational sides of a group.

Thruster-Organizers: Individuals who can organize funds and people to reach outcomes.

Concluder-Producers: Individuals who ensure an effective and efficient work.

Controller-Inspectors: Individuals who take care about the correctness of the details and the actuality of the result.

Upholder-Maintainers: Individuals who can bring support and stability into the group.

Reporter-Advisers: Individuals who are specialists in data collection and interpretation.

Linker: This activity performs a connecting role in ensuring that the group functioned in an effective method.

A successful group needs all of the eight team roles. Depending on the task, the different characteristics should be available in the right combination (Martin, op. cit., p. 239).

4.4.6 CONCLUSION

Groups are an very important part of organizational life. If an organization wants to perform well, it has to make sure that the groups within it function effectively. Therefore it is necessary to understand how groups work, what processes within a group occur and how they make decisions. Only if there is an understanding of these group proceedings, groups can be established effective according to the tasks and purposes they have to manage.

Review questions

- How can be group dynamic defined?
- Explain the group cohesiveness!
- Which are the elements within the dynamic process?
- The relationships that exist between groups are affected by several intervening variables. Explain some more important!
- Within organization there can be effective and ineffective groups. What are their characteristic features?
- Try to explain Belbins's team roles!
- Try to explain the Mergerison-McCann team management wheel!

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4.5 COMUNICATION, DECISION MAKING AND NEGOTIATION

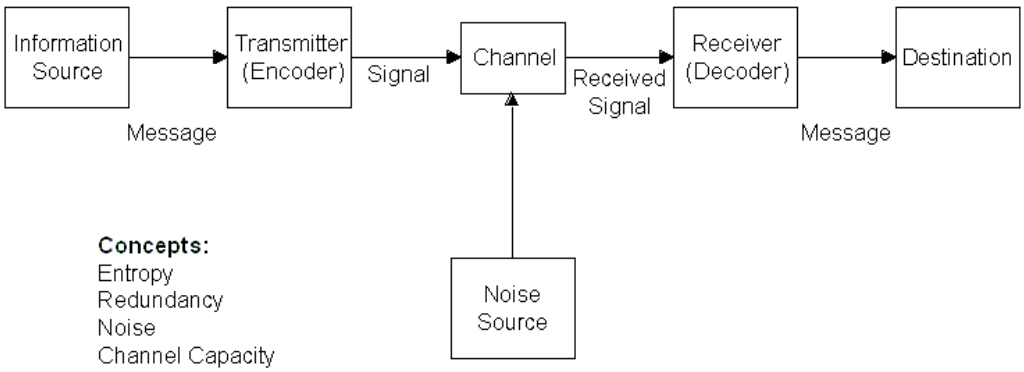
4.5.1 INTRODUCTION

We can certainly agree that many of the most important activities in which we engage are communicative. Our ability to create and sustain our social world depends in large measure on how well we communicate. People's social skills are crucial to their well-being individually and collectively. So communication is the key of every our activity and problem, because whitheout the ability to communicate whit people we wouldn't get any progress. So it is in our interest to learn how to communicate in every way and with everyone. In a casual environment it is common for people to make jokes with each other, speak loudly and use colloquial language. In business communication, however, this is generally not appropriate. Speaking loudly distracts the other employees who are busy working or trying to concentrate on whatever they are busy with, and this may give you a reputation as being rude and unprofessional. While you may not care what other people think of you, it is important to realize that your reputation among your peers may be realized by your seniors, and this may have a negative effect on your career. This problem and lot's of others problems are seriously dangerous for the success to any company. So that is why you will read about communication, decision making and negotiation.

4.5.2 COMMUNICATION

Communication is defined as a process by which we assign and convey meaning in an attempt to create shared understanding. This process requires a vast repertoire of skills in intrapersonal and interpersonal processing, listening, observing, speaking, questioning, analyzing, and evaluating. Use of these processes is developmental and transfers to all areas of life: home, school, community, work, and beyond. It is through communication that collaboration and cooperation occur.

Figure 4.9: The Shannon-Weaver Mathematical Model



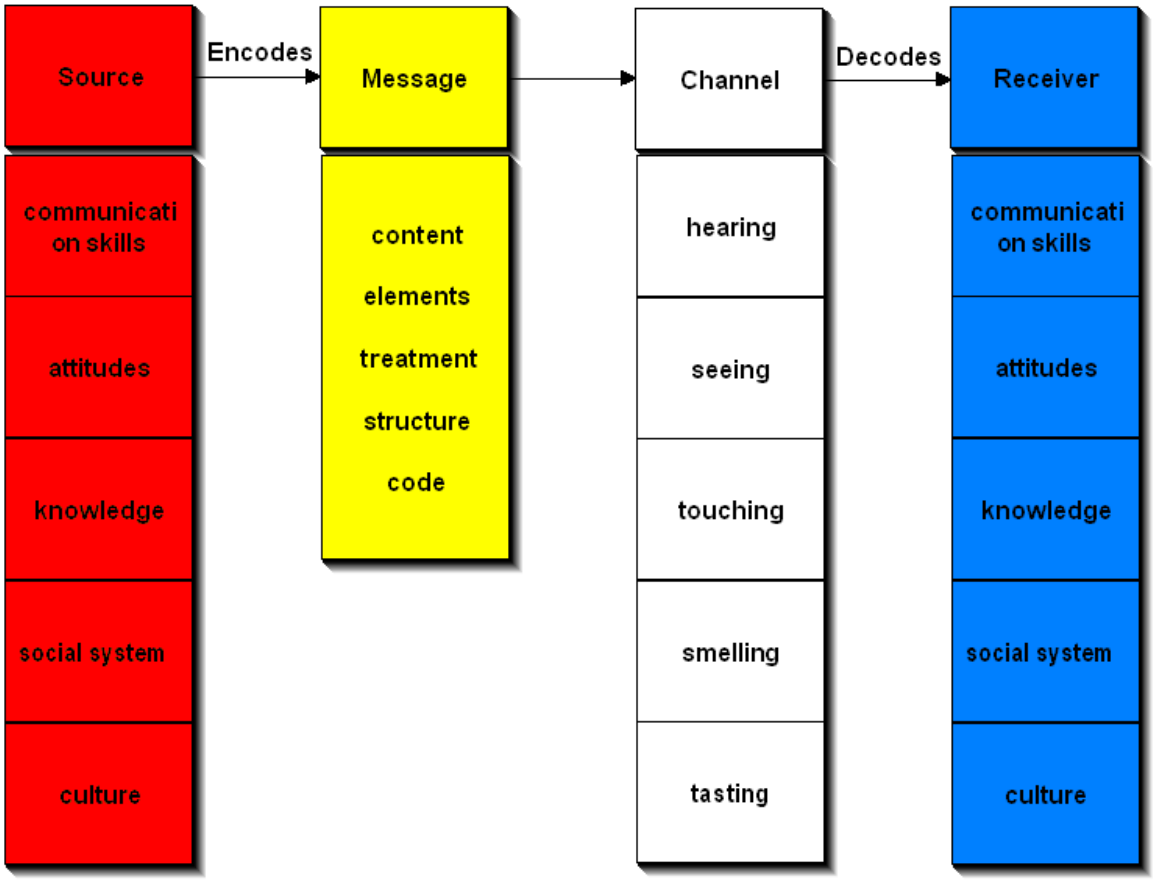
Source: Claude Shannon and Warren Weaver, 1949.

Fundamental beliefs about curriculum and assessment. If there is one unifying theme that crosses all disciplines, it is communication. Communication is our window to basic literacy and academic excellence. Reaching levels of excellence and accuracy of expression mandate mastery of formal English. These are the capabilities that cultivate the potential in each student and the possibilities for our future (Claude Shannon and Warren Weaver, 1949).

Communication is a process where by information is enclosed in a package and is channeled and imparted by a sender to a receiver via some medium. The receiver then decodes the message and gives the sender a feedback. All forms of communication require a sender, a message, and an intended

recipient; however the receiver need not be present or aware of the sender's intent to communicate at the time of communication in order for the act of communication to occur. Communication requires that all parties have an area of communicative commonality. There are auditory means, such as speech, song, and tone of voice, and there are nonverbal means, such as body language, sign language, paralanguage, touch, eye contact, through media, i.e., pictures, graphics and sound, and writing.

Figure 4.10: Berlo's process of communication



Source: David Berlo, 1960

Over time, technology has progressed and has created new forms of and ideas about communication. The newer advances include media and communications psychology. Media psychology is an emerging field of study. These technological advances revolutionized the processes of communication. Researchers have divided how communication was transformed into three revolutionary stages:
In the 1st Information Communication Revolution, the first written communication began, with pictographs. These writings were made on stone, which were too heavy to transfer. During this era, written communication was not mobile, but nonetheless existed. In the 2nd Information Communication Revolution, writing began to appear on paper, papyrus, clay, wax, etc. Common alphabets were introduced, allowing the uniformity of language across large distances. Much later the Gutenberg printing-press was invented. Gutenberg created this printing-press after a long period of time in the 15th century. In the 3rd Information Communication Revolution, information can now be transferred via controlled waves and electronic signals.

Communication is thus a process by which meaning is assigned and conveyed in an attempt to create shared understanding. This process requires a vast repertoire of skills in interpersonal processing, listening, observing, speaking, questioning, analyzing, gestures and evaluating. It is through communication that collaboration and cooperation occur. [ruct/Communications/default.aspx

"communication"]. office of superintendent of Public Instruction. Washington. ruct/Communications/default.aspx. Retrieved March 14, 2008.

There are also many common barriers to successful communication, two of which are message overload (when a person receives too many messages at the same time), and message complexity. Communication is a continuous process. The psychology of media communications is an emerging area of increasing attention and study.

The field of communication is typically broken into three distinct component: human communication, mass communications, and communication disorders. [ruct/Communications/default.aspx "communication"]. office of superintendent of Public Instruction. Washington. ruct/Communications/default.aspx. Retrieved March 14, 2008.

Human Communication or Communication Studies is the study of how individuals communicate. Some examples of the distinct areas that human communication scholars study are:

- Interpersonal Communication
- Organizational Communication
- Oral Communication
- Small Group Communication
- Intercultural Communication
- Nonviolent Communication
- Conflict
- Rhetoric
- Public Speaking
- Media and Communications Psychology

In following pages it will be present more details about organizational communication.

4.5.3 ORGANIZATIONAL COMMUNICATION

Organizational communication is a subfield of the larger discipline of communication studies. Organizational communication, as a field, is the consideration, analysis, and criticism of the role of communication in organizational contexts.

History of Organizational Communication

The field traces its lineage through business information, business communication, and early mass communication studies published in the 1930s through the 1950s. Until then, organizational communication as a discipline consisted of a few professors within speech departments who had a particular interest in speaking and writing in business settings. The current field is well established with its own theories and empirical concerns distinct from other communication subfields and other approaches to organizations.
Several seminal publications stand out as works broadening the scope and recognizing the importance of communication in the organizing process, and in using the term "organizational communication". Nobel Laureate Herbert Simon wrote in 1947 about "organization communications systems", saying communication is "absolutely essential to organizations"(Herbert Simon, p. 208).

In the 1950s, organizational communication focused largely on the role of communication in improving organizational life and organizational output. In the 1980s, the field turned away from a business-oriented approach to communication and became concerned more with the constitutive role of communication in organizing. In the 1990s, critical theory influence on the field was felt as organizational communication scholars focused more on communication's possibilities to oppress and liberate organizational members.

Communications networks

Networks are another aspect of direction and flow of communication. Bavelas has shown that communication patterns, or networks, influence groups in several important ways. Communication networks may affect the group's completion of the assigned task on time, the position of the de facto leader in the group, or they may affect the group members' satisfaction from occupying certain positions in the network. Although these findings are based on laboratory experiments, they have important implications for the dynamics of communication in formal organizations.

There are several patterns of communication Bavelas, A., 1951, p. 503 -511):

- Chain,
- Wheel,
- Star,
- All-Channel network,
- Circle

The Chain can readily be seen to represent the hierarchical pattern that characterizes strictly formal information flow, "from the top down," in military and some types of business organizations. The Wheel can be compared with a typical autocratic organization, meaning one-man rule and limited employee participation. The Star is similar to the basic formal structure of many organizations. The All-Channel network, which is an elaboration of Bavelas's Circle used by Guetzkow, is analogous to the free-flow of communication in a group that encourages all of its members to become involved in group decision processes. The All-Channel network may also be compared to some of the informal communication networks.

If it's assumed that messages may move in both directions between stations in the networks, it is easy to see that some individuals occupy key positions with regard to the number of messages they handle and the degree to which they exercise control over the flow of information. For example, the person represented by the central dot in the "Star" handles all messages in the group. In contrast, individuals who occupy stations at the edges of the pattern handle fewer messages and have little or no control over the flow of information. These "peripheral" individuals can communicate with only one or two other persons and must depend entirely on others to relay their messages if they wish to extend their range.

In reporting the results of experiments involving the Circle, Wheel, and Star configurations, Bavelas came to the following tentative conclusions. In patterns with positions located centrally, such as the Wheel and the Star, an organization quickly develops around the people occupying these central positions. In such patterns, the organization is more stable and errors in performance are lower than in patterns having a lower degree of centrality, such as the Circle. However, he also found that the morale of members in high centrality patterns is relatively low. Bavelas speculated that this lower morale could, in the long run, lower the accuracy and speed of such networks.

In problem solving requiring the pooling of data and judgments, or "insight," Bavelas suggested that the ability to evaluate partial results, to look at alternatives, and to restructure problems fell off rapidly when one person was able to assume a more central (that is, more controlling) position in the information flow. For example, insight into a problem requiring change would be less in the Wheel and the Star than in the Circle or the Chain because of the "bottlenecking" effect of data control by central members.

It may be concluded from these laboratory results that the structure of communications within an organization will have a significant influence on the accuracy of decisions, the speed with which they can be reached, and the satisfaction of the people involved. Consequently, in networks in which the responsibility for initiating and passing along messages is shared more evenly among the members, the better the group's morale in the long run.

On the basis of a number of experimental trials, Leavitt formed these conclusions Leavit, H., 1958, p. 118-128):

1. One-way communication is faster than two-way communication.
2. Two-way communication is more accurate than one-way communication.
3. Receivers are more sure of themselves and make more correct judgments of how right or wrong they are in the two-way system.
4. The sender feels psychologically under attack in the two-way system, because his receivers pick up his mistakes and oversights and point them out to him.
5. The two-way method is relatively noisier and looks more disorderly. The one-way method, on the other hand, appears neat and efficient to an outside observer.

Thus, if speed is necessary, if a businesslike appearance is important, if a manager does not want his mistakes recognized, and if he wants to protect his power, then one-way communication seems preferable. In contrast, if the manager wants to get his message across, or if he is concerned about his receivers' feeling that they are participating and are making a contribution, the two-way system is better.

Another facet of communication in the organization is the process of face-to-face, interpersonal communication, between individuals. Such communication may take several forms. Messages may be verbal (that is, expressed in words), or they may not involve words at all but consist of gestures, facial expressions, and certain postures ("body language"). Nonverbal messages may even stem from silence. Richard Arvid Johnson (1976).

Managers do not need answers to operate a successful business; they need questions. Answers can come from anyone, anytime, anywhere in the world thanks to the benefits of all the electronic communication tools at our disposal. This has turned the real job of management into determining what it is the business needs to know, along with the who/what/where/when and how of learning it. To effectively solve problems, seize opportunities, and achieve objectives, questions need to be asked by managers—these are the people responsible for the operation of the enterprise as a whole (Terry, J. F.,2008).

Ideally, the meanings sent are the meanings received. This is most often the case when the messages concern something that can be verified objectively. For example, "This piece of pipe fits the threads on the coupling." In this case, the receiver of the message can check the sender's words by actual trial, if necessary. However, when the sender's words describe a feeling or an opinion about something that cannot be checked objectively, meanings can be very unclear. "This work is too hard" or "Watergate was politically justified" are examples of opinions or feelings that cannot be verified. Thus they are subject to interpretation and hence to distorted meanings. The receiver's background of experience and learning may differ enough from that of the sender to cause significantly different perceptions and evaluations of the topic under discussion. As we shall see later, such differences form a basic barrier to communication.

Communication Approaches in an Organization

Informal and formal communication is used in an organization.

Informal communication, generally associated with interpersonal, horizontal communication, was primarily seen as a potential hindrance to effective organizational performance. This is no longer the case. Informal communication has become more important to ensuring the effective conduct of work in modern organizations.

Top-down approach: This is also known as downward communication. This approach is used by the Top Level Management to communicate to the lower levels. This is used to implement policies, guidelines, etc. In this type of organizational communication, distortion of the actual information occurs. This could be made effective by feedbacks.

Communication in organizations encompasses all the means, both formal and informal, by which information is passed up, down, and across the network of managers and employees in a business.

These various modes of communication may be used to disseminate official information between employees and management, to exchange hearsay and rumors, or anything in between. The challenge for businesses is to channel these myriad communications so they serve to improve customer relations, bolster employee satisfaction, build knowledge-sharing throughout the organization, and most importantly, enhance the firm's competitiveness.

4.5.4 COMMUNICATIONS AS A FUNCTION OF MANAGEMENT

During corporate America's early history, which stretches back little more than 150 years, American management operated as strict "top down" communications companies. Whatever the majority of the company's owners said was the law. If the company had a senior management committee, strategies for doing everything from selling product to dealing with employees would be discussed behind closed doors. Once those decisions were made by managers, lower levels of management were asked to put those decisions into effect. Employees had little input. They did as they were told or found work elsewhere.

Such management attitudes, particularly when they applied to worker safety issues in such places as coal mines and steel mills, led to the growth of labor unions. If nothing else, unions had the power in many cases to slow or shut down production until management at least listened to demands.

In reaction to union demands, corporations eventually set up communication systems where rank-and-file members could speak their minds through union representatives. While forced to create the systems by unions, corporate managers have realized over the past 20-30 years that employees are not the mindless drones that the managers of the early part of this century believed them to be. When presented the opportunity to help the company solve problems, many employees have jumped at the chance. This is called "bottom-up" communication.

Most corporations now encourage employees to take an active part in their company. Employees who notice ways to improve production lines are encouraged, and usually rewarded, for passing those ideas on to managers. Employees who submit ideas that withstand intense study can be rewarded with a percentage of the company's savings. Employees who are harassed on the job are strongly encouraged to report such harassment as far up the chain of management as necessary to stop it. Regular employee meetings are held where the lowest level employee can stand up and ask the CEO a direct question with the full expectation that a direct answer will be offered in return.
Top management also has a method of monitoring how the company is running while meeting employees and managers halfway. Sometimes called "management by walking around," this method of communication and management calls for top managers to get out and see what is happening at the level where work is done. Instead of reading reports from subordinates, the CEO visits the factories or service centers, observes line managers' employees on the job, and asks their opinions. Although the practice seems to be both praised and denigrated regularly by business management experts, this form of communications keeps the boss in touch.

4.5.5 FORMS OF CORPORATE COMMUNICATIONS

Although the content of corporate communications within the organization has remained fairly constant through the years, technology has improved the way management and employees keep in touch with each other.

Almost all companies of any size have some regular method of keeping in touch with employees through bulletin boards, newsletters, or magazines. Larger, more technically proficient and geographically dispersed companies may also use corporate-produced television shows or copy-only messages transmitted by closed circuit television. Some companies distribute electronic mail

newsletters or messages, which can be instantly transmitted and placed in all the computers wired into the company's network.

These forms of communications always get the approval of top management. Many newsletters, magazines, and television shows leave no doubt about this by including a "message from the president" column near the front of the publication.

Bulletin boards are the oldest form of corporate communications. In the early days of businesses, bulletin boards were frequently the only communication that management might have with employees. Everything from longer-hours demands to the announcement of new plant openings would be announced on the boards. Today, bulletin boards are not always found in businesses. Some companies use them for nothing more important than posting legal requirements such as wage and hour rates. Other companies try to make bulletin boards a force for employee recognition and information. The challenge all companies have with bulletin boards is that they fade in the consciousness of employees who get used to seeing them every day. Unless the boards' information is changed regularly and presented in an attractive way, employees can ignore it.

Newsletters and magazines try to address the inability of management to speak to each employee. Written communication explains management policies, announces new products, answers questions, and provides each employee with a reminder of what the company is all about. The downside of written communication is that it is a slow and cumbersome process. In other cases, the editorial content of such newsletters might not be aligned with any corporate objectives, and thereby may convey confused or irrelevant messages.

That is one of the reasons why closed-circuit, satellite, and videotape-based programs have become popular with some corporations. Employees are used to watching television. Some corporations have spent millions of dollars in developing a television presence that would be difficult to distinguish from the quality produced by regular television networks, an approach that can quickly grab the attention of employees. Television is also immediate. A CEO who has to make an emergency announcement to employees can do so within minutes' notice, while a newsletter or magazine takes weeks to produce.

The latest and fastest growing method of corporate communications is e-mail. E-mail is instantaneous and is available to anyone with a computer terminal. An employee who has a great idea, but who is afraid a superior may take credit for it, can send the CEO a message on the corporation's computer system. There is no guarantee that the CEO has not set up a program to filter out such E-mail messages from employees, but most report that they have not. Some corporations even encourage their computer-literate customers to e-mail comments and complaints directly to the people at the top. The downside, of course, is that e-mail, particularly in group distributions, can be misused for personal or trivial matters, tying up network resources and causing employees to ignore messages that aren't personally directed to them.

Memos and reports are the life blood of many corporations. They frequently are the only way some business gets done. The boss either approves or disapproves something based on what a sheaf of memos and stack of reports recommend. Live presentations are sometimes conducted to put life in what the reports have concluded.

The key to making memos and reports effective is to make them both readable and pertinent to the entire company. A memo from the head of accounting outlining procedure changes may be useless to the CEO who has a marketing background unless the memo plainly spells out why accounting changes will improve the company's operations.

Bureaucratic language, pompous phrasing, technical jargon, departmental protection, and incorrect conclusions all contribute to unclear communication within the corporation. One management book author estimates that up to 70 percent of business communications between managers misses the mark.

Informal methods of communication, such as rumors and the company "grapevine," can be out of the company's control. The grapevine is a bottom-up form of communication, in which employees try to understand what is happening around them when there is no official word from management. When management is silent, employees fill the void with verbal guesses about what is happening. It may start when the graveyard shift's loading-dock workers are laid off because better production scheduling eliminates their jobs. The second shift loaders may interpret the loss of that shift's jobs as an economic signal that the company is in trouble. A telephone receptionist who fields calls for senior managers from competitors might conclude that the company is negotiating to buy out, or be bought out. She passes the word that something big is up. Junior managers who notice out-of-town consultants nosing around may smell "restructuring" in the wind.

There is no way the grapevine can be stopped. It can only be influenced. When dealing with questions that cannot, or should not be answered, senior managers should take the initiative before negative rumors get started. If it is true and obvious to employees that the company will soon undergo major changes, management should be as forthright as possible as quickly as possible. In any event, management should never lie or threaten people to stop the rumors. The most respectful and effective approach is to tell the employees that management recognizes they have legitimate concerns, which will be addressed when possible. If official talk would damage the company, employees should be told as much.

4.5.6 EXPECTATIONS AND PERCEPTIONS, SELECTIVITY AND DISTRACTIONS

Old school managers of employees sometimes do not believe that employees can contribute anything useful to the operation of a company other than their unquestioning labor. These managers separate "management" from "employees" with the idea that managers will tell employees what to do. They don't want any questioning or backtalk. Employees, operating from the same circumstances, usually see little stake for themselves in a company in which they are not personally involved.

Most people pick and choose what they actually retain when someone is talking. Any number of factors can cause this, ranging from the respect a person has for the speaker to what the speaker is saying and how it relates to what the employee is doing. For example, line employees might not pay too much attention to a hated supervisor who stands up in a general meeting to address quality problems of components that are delivered to the line. They may listen more attentively to a respected supervisor who urges them to shut down the line and remove the bad parts before they are installed so a poor quality product does not reflect on them.

Ringing phones, scheduled meetings, and unfinished reports all contribute to the problem of hurried and sometimes misunderstood communications. Careful listening and understanding takes dedication. Time must be put aside for communication.

Communication is the process by which a message or information is exchanged from a sender to a receiver. For example a production manager (sender) may send a message to a sales manager (receiver) asking for sales forecasts for the next 6 months so they can plan production levels. The sales manager would then reply (feedback) to the production manager with the appropriate figures.

This is an example of *internal communication*, i.e. when communications occur between employees of a business. Communication therefore links together all the different activities involved in a business and ensures all employees are working towards the same goal and know exactly what they should be doing and by when. Effective communication is therefore fundamental to the success of a business.

A business will of course need to communicate with people or organizations outside of the business. This is known as *external communication*. For example a marketing manager will need to tell customers of a new special pricing offers or the finance director may need to ask banks for a loan.

4.5.7 KEYS TO GOOD COMMUNICATIONS

All forms of communication, even the lack of it, can have an impact. A stiffly worded, legalistic memo to employees telling them not to talk to the press about impending litigation could be interpreted as admitting that the company did something wrong. Management's repeated "no comments" to employees and the press on rumored merger talks may only fuel speculation about company suitors, how much the company will sell for, and how many employees will be laid off.

Communication should be seen as a continuous, systematic process by which interested parties within the company learn what they need (or, in some cases, want) to know. While not all information is appropriate for all people to know, in general open and free communications should be encouraged within and across all levels and divisions of the enterprise.

Communication in organizations should easy and understandable. Management terms and jargon or stiff or flowery language may contribute to the impression among employees that management is talking down to them, or may simply lose their interest and defeat the purpose.
Management should obtain and analyze feedback about the state of communications at their company. Indeed, managers may have misperceptions about the quality of communications because they have failed to avail themselves to pertinent information from others. http://www.referenceforbusiness.com/encyclopedia/Clo-Con/Communication-in-Organizations.html#ixzz135WZAPzc

Communication can be a great source of growth. A manager that is open to ideas coming from the employees, will give these people the right motivation to communicate and make the entire company work better. This may translate in increase productivity with lower costs involved. The employees in an organization need to communicate with the upper management all the time. They need to place reports, comments, and even grievances and complaints. In order to ease the pressure, a good communication system must work within the company. If the employees find that it is hard to get their thoughts through the upper management, they will become slack on doing it, until they will not do it at all or they will do it wrongly.

Good communication has many advantages for a business - strong communication:

- Motivates employees – helps them feel part of the business
- Easier to control and coordinate business activity – prevents different parts of the business going in opposite directions
- Makes successful decision making easier for managers– decisions are based on more complete and accurate information
- Better communication with customers will increase sales
- Improve relationships with suppliers and possibly lead to more reliable delivery
- Improves chances of obtaining finance – e.g. keeping the bank up-to-date about how the business is doing

There are mainly two types of communication: oral and written. When we talk to one another, we have the chance to ask for clarifications, so the message can be finally transmitted accurately. But, in larger companies, it is not possible that everyone talks to everyone, so written communication is needed. Written communication needs to be done in a brief, concise and accurate way, so everybody concerned understands what is what. The importance of good communication

Business writing software

Business writing software can help you a lot with the communication that needs to be done within your company. This type of software can ease the channels of communication through specific tools that will help you create clear written documents for your business.

Decisions making

"Discussion is an exchange of knowledge; an argument an exchange of ignorance." Robert Quillen.

"Stay committed to your decisions, but stay flexible in your approach." Tom Robbins.

Decisions made during problem-solving sessions are legacies businesses often have to live with for a long time! Not every decision requires special attention; many are simple and routine. Decision-making techniques are critical for managing projects, for example, where they should be visible in every aspect of project planning. Imagine an aerospace company that designs and builds highly complicated satellite equipment. The potential exists for large-scale fiascos if every facet of every phase doesn't come together perfectly.

Companies get a lot of advice about how to make good decisions. Which decision-making disciplines really make a difference? Do strong decision-making processes lead to good decisions? This paper highlights several process steps that are strongly associated with good financial and operational outcomes. Although corporate politics sometimes seems to undermine strong decision making, some types of consensus-building and alliances apparently can help create good outcomes.

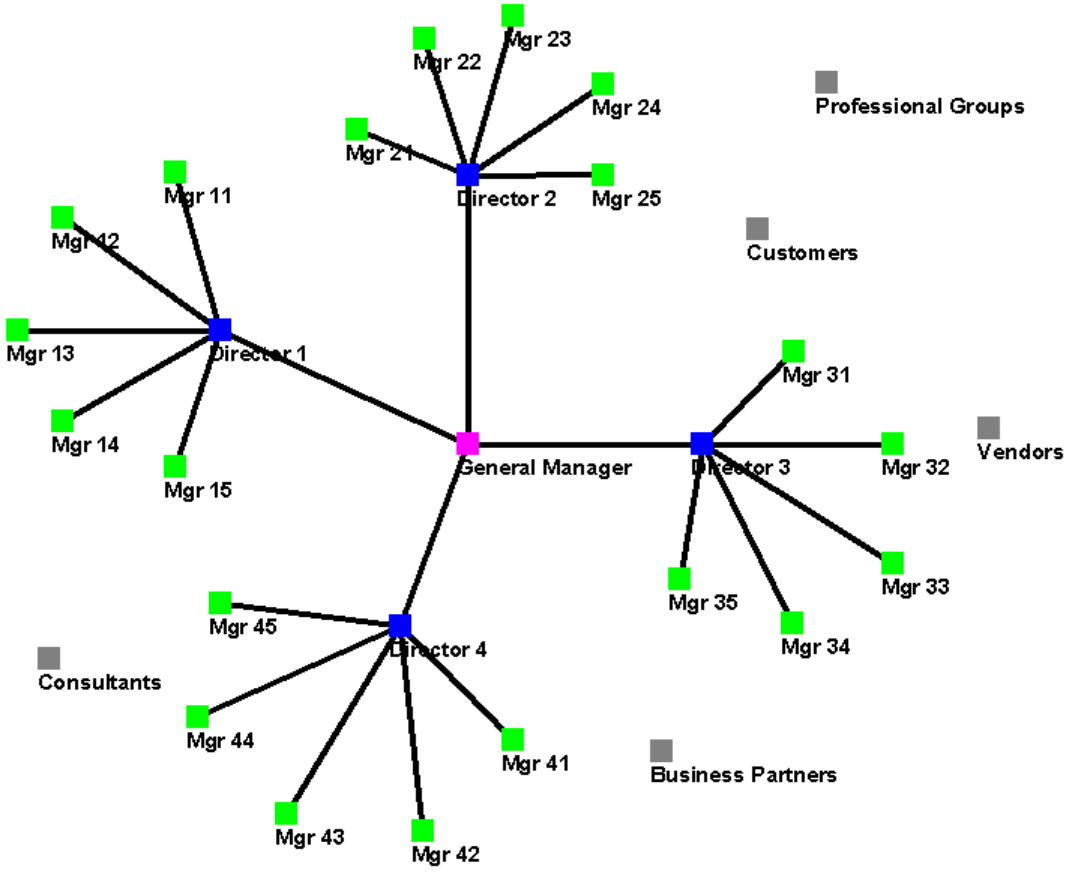
4.5.8 DECISION MAKING IN ORGANIZATIONS

Decision making in organizations has been described as a process of behavior with the economic model (or total rationality) at one extreme, and with the social model (or complete irrationality) at the other extreme (Kimberly and Rottman, 1987, p. 596-619). This description implies that only irrational decision making accords human values precedence over economic values. In the organizational environments of the 1990s, leaders must find some middle ground between these extremes, for it is evident that neither set of values can be ignored. In many organizations, managers have been confronted with the tasks of making severe, undesirable, and unpleasant cuts of personnel and services in a hasty manner, because, in part, they failed to heed economic values in earlier decisions. Similarly, organizations have often been forced to retract decisions, and to act in confusing manners, in chaotic situations, because, in part, they failed to heed human values in reaching earlier decisions. A better approach to decision making is obviously required by many organizations as they contemplate the demands of the future.

In the last quarter of the twentieth century, it is recognized that the application of specific approaches to decision-making must, to some extent, consider leadership styles, personalities, and organizational requirements (Lenz and Engledow, 1986, pp. 69-89).

Decisions are not made in isolation -- a network of influence affects all important decisions. The network below shows the management hierarchy of a division in a major corporation. Each node designates a specific employee in the organization. Nodes are labeled by the person's position and color-coded by their organizational level. The black links designate formal reporting relationships [organizational hierarchy]. Dark grey nodes represent key entities outside the organization. This is a network view of the organization chart -- the hierarchy is actually a hub-and-spoke network!

Figure 4.11: Organizational Hierarchy

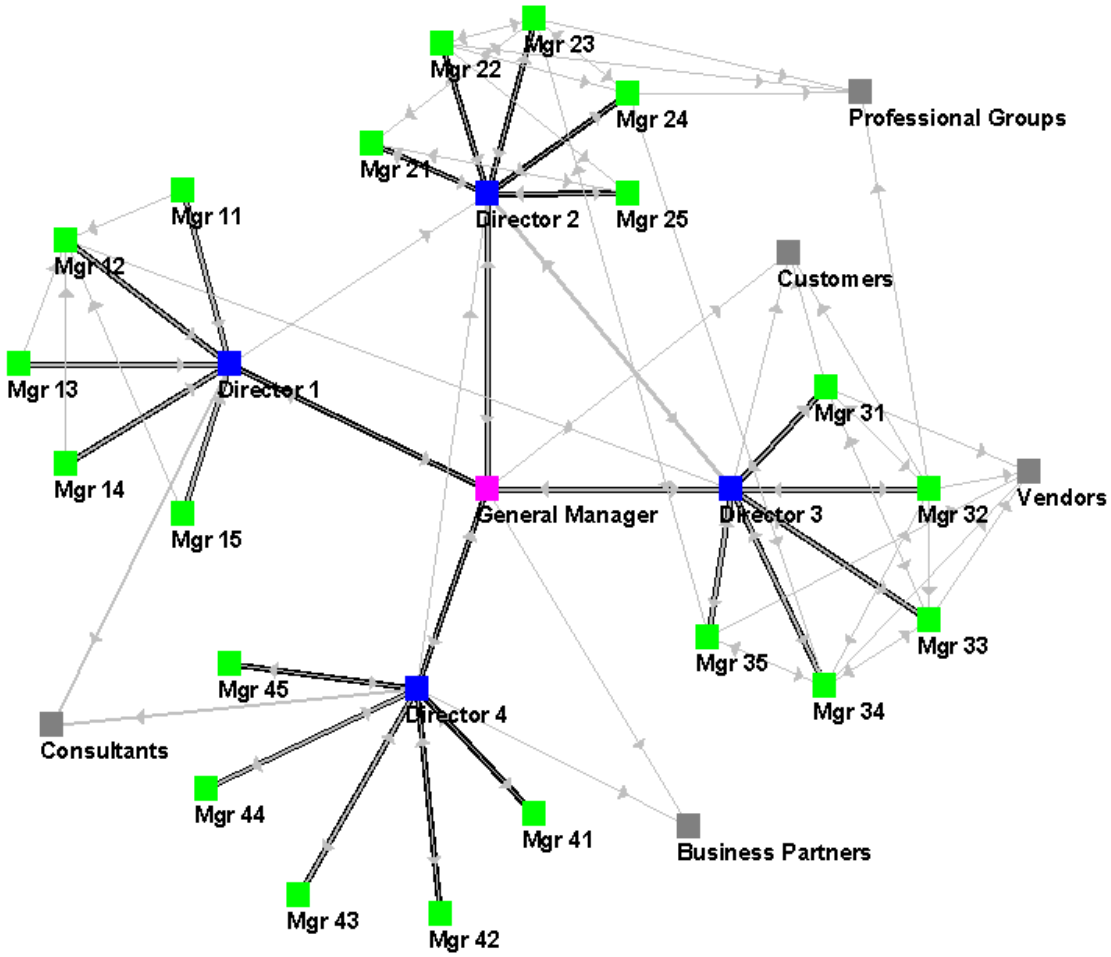


Source: Hub & Spoke Network

The network below shows a different view of the same organization. A grey link is drawn if a person seeks another specific person for inputs/opinions/advice before making an important decision. A --> B means that A seeks out B. The link/relationship data was collected via interviews and a survey.

What do the decision-making links reveal about this organization? Some advice flows along formal ties [within the hierarchy], while other advice flows along informal ties [outside of the hierarchy].

Figure 4.12: Hierarchy + Decision-Making Conversations



Source: Hub & Spoke Network

- There is strong triangle of input and feedback amongst Directors 2 and 3 and the General Manager. These strong, trusting ties have grown and solidified over many years of working together.
- Director 1 is new to the organization. Manager 12 was hoping to get this position, but Corporate strongly pushed for Director 1. Notice that Manager 12 is still locally influential in the decision-making network. Director 1 does *not* include input from direct reports in decision-making [remember A --> B means that A seeks out B] !
- Director 4 is about to retire. He used to run this division when it was much smaller. Unlike Director 1, Director 4 *does* include inputs from his staff.
- The decision-making patterns in the departments of Directors 2 and 3 are quite different from the pattern of links in the departments of Directors 1 and 4. Directors 2 and 3 seek information from all levels of the organization -- their departments show both vertical and horizontal flows. Several managers in these departments [23, 24, 34, and 35] are boundary spanners -- connecting to others outside of their immediate group. Departments 2 and 3 are an example of participatory decision-making -- including inputs from up and down the hierarchy, as well as inside and outside the department.

Decision-making is a crucial part of good business. The question then is 'how is a good decision made?

One part of the answer is good information, and experience in interpreting information. Consultation i.e seeking the views and expertise of other people also helps, as does the ability to admit one was wrong and change one's mind. There are also aids to decision-making, various techniques which help to make information clearer and better analyzed, and to add numerical and objective precision to decision-making (where appropriate) to reduce the amount of subjectivity.
Managers can be trained to make better decisions. They also need a supportive environment where they won't be unfairly criticized for making wrong decisions (as we all do sometimes) and will receive proper support from their colleague and superiors. A climate of criticism and fear stifles risk-taking and creativity; managers will respond by 'playing it safe' to minimize the risk of criticism which diminishes the business' effectiveness in responding to market changes. It may also mean managers spend too much time trying to pass the blame around rather than getting on with running the business.

Decision-making increasingly happens at all levels of a business. The Board of Directors may make the grand strategic decisions about investment and direction of future growth, and managers may make the more tactical decisions about how their own department may contribute most effectively to the overall business objectives. But quite ordinary employees are increasingly expected to make decisions about the conduct of their own tasks, responses to customers and improvements to business practice. This needs careful recruitment and selection, good training, and enlightened management.

Types of Business Decisions

1. Programmed Decisions. These are standard decisions which always follow the same routine. As such, they can be written down into a series of fixed steps which anyone can follow. They could even be written as computer program
2. Non-Programmed Decisions. These are non-standard and non-routine. Each decision is not quite the same as any previous decision.
3. Strategic Decisions. These affect the long-term direction of the business e.g whether to take over Company A or Company B
4. Tactical Decisions. These are medium-term decisions about how to implement strategy e.g what kind of marketing to have, or how many extra staff to recruit
5. Operational Decisions. These are short-term decisions (also called administrative decisions) about how to implement the tactics e.g. which firm to use to make deliveries.

The model in Figure 4.6.4 above is a normative model, because it illustrates how a good decision ought to be made. Business Studies also uses positive models which simply aim to illustrate how decisions are, in fact, made in businesses without commenting on whether they are good or bad.
Linear programming models help to explore maximizing or minimizing constraints e.g one can program a computer with information that establishes parameters for minimizing costs subject to certain situations and information about those situations.

Spread-sheets are widely used for 'what if' simulations. A very large spread-sheet can be used to hold all the known information about, say, pricing and the effects of pricing on profits. The different pricing assumptions can be fed into the spread-sheet 'modeling' different pricing strategies. This is a lot quicker and an awful lot cheaper than actually changing prices to see what happens. On the other hand, a spread-sheet is only as good as the information put into it and no spread-sheet can fully reflect the real world. But it is very useful management information to know what might happen to profits 'what if' a skimming strategy, or a penetration strategy were used for pricing.

The computer does not take decisions; managers do. But it helps managers to have quick and reliable quantitative information about the business as it is and the business as it might be in different sets of circumstances. There is, however, a lot of research into 'expert systems' which aim to replicate the way real people (doctors, lawyers, managers, and the like) take decisions. The aim is that computers can, one day, take decisions, or at least programmed decisions (see above). For example, an expedition

could carry an expert medical system on a lap-top to deal with any medical emergencies even though the nearest doctor is thousands of miles away. Already it is possible, in the US, to put a credit card into a 'hole-in-the-wall' machine and get basic legal advice about basic and standard legal problems.

Constraints on Decision-Making

Internal Constraints:

- These are constraints that come from within the business itself.
- Availability of finance. Certain decisions will be rejected because they cost too much.
- Existing Business Policy. It is not always practical to re-write business policy to accommodate one decision.
- People's abilities and feelings. A decision cannot be taken if it assumes higher skills than employees actually have, or if the decision is so unpopular no-one will work properly on it.

External Constraints:

- These come from the business environment outside the business.
- National & EU legislation.
- Competitors' behavior, and their likely response to decisions your business makes.
- Lack of technology.
- Economic climate.

Quality of Decision-Making

Some managers and businesses make better decisions than others. Good decision-making comes from:

1. Training of managers in decision-making skills. See Developing Managers
2. Good information in the first place.
3. Management skills in analyzing information and handling its shortcomings.
4. Experience and natural ability in decision-making.
5. Risk and attitudes to risk.
6. Human factors. People are people. Emotional responses come before rational responses, and it is very difficult to get people to make rational decisions about things they feel very strongly about. Rivalries and vested interests also come into it. People simply take different views on the same facts, and people also simply make mistakes. Business Thinkers -John Pierpoint Morgan & Good Management Self-Assessment.

Businesses are highly interdependent on each other, their suppliers and their customers. Decisions are not taken in isolation. The effects of any decision will depend critically on the reactions of other groups in the market. These have to be, as far as possible, taken into account before decisions are made.

4.5.9 NEGOTIATION

Negotiation is a dialogue intended to resolve disputes, to produce an agreement upon courses of action, to bargain for individual or collective advantage, or to craft outcomes to satisfy various interests. It is the primary method of alternative dispute resolution.

Negotiation occurs in business, non-profit organizations, government branches, legal proceedings, among nations and in personal situations such as marriage, divorce, parenting, and everyday life. The study of the subject is called negotiation theory. Professional negotiators are often specialized, such as union negotiators, leverage buyout negotiators, peace negotiators, hostage negotiators, or may work under other titles, such as diplomats, legislators or brokers.
http://en.wikipedia.org/wiki/Wikipedia:Negotiation.

The word "negotiation" is from the Latin expression, "negotiatus", past participle of negotiare which means "to carry on business". "Negotium" means literally "not leisure".

Negotiation typically manifests itself with a trained negotiator acting on behalf of a particular organization or position. It can be compared to mediation where a disinterested third party listens to each sides' arguments and attempts to help craft an agreement between the parties. It is also related to arbitration which, as with a legal proceeding, both sides make an argument as to the merits of their "case" and then the arbitrator decides the outcome for both parties.

There are many different ways to segment negotiation to gain a greater understanding of the essential parts. One view of negotiation involves three basic elements: process, behavior and substance. The process refers to how the parties negotiate: the context of the negotiations, the parties to the negotiations, the tactics used by the parties, and the sequence and stages in which all of these play out. Behavior refers to the relationships among these parties, the communication between them and the styles they adopt. The substance refers to what the parties negotiate over: the agenda, the issues (positions and - more helpfully - interests), the options, and the agreement(s) reached at the end.

Another view of negotiation comprises 4 elements: strategy, process and tools, and tactics. Strategy comprises the top level goals - typically including relationship and the final outcome. Processes and tools include the steps that will be followed and the roles taken in both preparing for and negotiating with the other parties. Tactics include more detailed statements and actions and responses to others statements and actions. Some add to this persuasion and influence, asserting that these have become integral to modern day negotiation success, and so should not be omitted.
Skilled negotiators may use a variety of tactics ranging from negotiation hypnosis, to a straight forward presentation of demands or setting of preconditions to more deceptive approaches such as cherry picking. Intimidation and salami tactics may also play a part in swaying the outcome of negotiations.

Another negotiation tactic is bad guy/good guy. Bad guy/good guy tactic is when one negotiator acts as a bad guy by using anger and threats. The other negotiator acts as a good guy by being considerate and understanding. The good guy blames the bad guy for all the difficulties while trying to get concessions and agreement from the opponent (Churchman, D., 1993, p. 13.)

The advocate's approach

In the advocacy approach, a skilled negotiator usually serves as advocate for one party to the negotiation and attempts to obtain the most favorable outcomes possible for that party. In this process the negotiator attempts to determine the minimum outcome(s) the other party is (or parties are) willing to accept, then adjusts their demands accordingly. A "successful" negotiation in the advocacy approach is when the negotiator is able to obtain all or most of the outcomes their party desires, but without driving the other party to permanently break off negotiations, unless the best alternative to a negotiated agreement (BATNA) is acceptable.

Traditional negotiating is sometimes called *win-lose* because of the assumption of a fixed "pie", that one person's gain results in another person's loss. This is only true, however, if only a single issue needs to be resolved, such as a price in a simple sales negotiation.

During the 1960s, Gerard I. Nierenberg recognized the role of negotiation in resolving disputes in personal, business and international relations. He published *The Art of Negotiating*, where he states that the philosophies of the negotiators determine the direction a negotiation takes. His *Everybody Wins* philosophy assures that all parties benefit from the negotiation process which also produces more successful outcomes than the adversarial “winner takes all” approach.

Getting to YES was published by Roger Fisher and William Ury as part of the Harvard negotiation project. The book's approach, referred to as Principled Negotiation, is also sometimes called mutual gains bargaining. The mutual gains approach has been effectively applied in environmental situations (cf. Lawrence Susskind and Adil Najam) as well as labor relations where the parties (e.g. management and a labor union) frame the negotiation as "problem solving". If multiple issues are discussed, differences in the parties' preferences make win-win negotiation possible. For example, in a labor negotiation, the union might prefer job security over wage gains. If the employers have opposite preferences, a trade is possible that is beneficial to both parties. Such a negotiation is therefore not an adversarial zero-sum game. Principled Negotiation method consists of four main steps: separating the people from the problem, focus on interests, not positions, generating a variety of possibilities before deciding what to do and insisting that the result be based on some objective standard.

The new creative approach

Perhaps the most famous negotiation parable involves an argument over an orange. The most obvious approach was to simply cut it in half, each person getting a fair share. But, when the negotiators began talking to each other, exchanging information about their interests, a better solution to the problem became obvious. The person wanting the orange for juice for breakfast took that part and the person wanting the rind for making marmalade took that part. Both sides ended up with more. Neither agreement is particularly creative. The parable of the orange becomes a story about creativity when both parties decide to cooperate in planting an orange tree or even an orchard. In a similar way, Boeing buys composite plastic wings for its new 787 Dreamliner designed and manufactured by Japanese suppliers, and then sells the completed 787s back to Japanese airlines, all with a nice subsidy from the Japanese government. This is what is meant by creativity in negotiations. At business schools these days much is being learned about creative processes. Courses are offered and dissertations proffered with "innovation" as the key buzz word at academic conferences and in corporate boardrooms. And, the more heard about innovation and creative processes the greater is the appreciation that the Japanese approach to negotiations, by nature, uses many of the techniques commonly emphasized in any discussion of creative processes. Indeed, there appears to be a deeply fundamental explanation why the Japanese have been able to build such a successful society despite their lack of natural resources and relative isolation. While Japanese society does have its own obstacles to creativity – hierarchy and collectivism are two – they have developed a negotiation style that in many ways obviates such disadvantages. Indeed, the ten new rules for global negotiations advocated by Hernandez and Graham (William Hernandez Requejo and John L. Graham, York, 2008) nicely coincide with an approach that comes naturally to the Japanese:

- Accept only creative outcomes
- Understand cultures, especially your own.
- Don't just adjust to cultural differences, exploit them.
- Gather intelligence and reconnoiter the terrain.
- Design the information flow and process of meetings.
- Invest in personal relationships.
- Persuade with questions. Seek information and understanding.
- Make no concessions until the end.
- Use techniques of creativity
- Continue creativity after negotiations.

Beyond the practices of the Japanese, credit must also be given to the luminaries in field that have long advocated creativity in negotiations. Howard Raiffa (William Hernandez Requejo and John L. Graham, 2008) and his colleagues recommend: …the teams should think and plan together informally and do some joint brainstorming, which can be thought of as "dialoguing" or "renegotiating." The two sides make no tradeoffs, commitments, or arguments about how to divide the pie at this early stage. Roger Fisher and William Ury title their Chapter 4 in *Getting to Yes*,[1] "Invent[ing] Options for Mutual Gain." David Lax and James Sebenius, in their important new book, *3D-Negotiations*, go past getting to yes, and talk about "creative agreements" and "great agreements." Lawrence Susskind and his associates

recommend “parallel informal negotiations” toward building creative negotiation outcomes. These ideas must be pushed to the forefront in thinking about negotiations. The field generally is still stuck in the past, talking about “making deals” and “solving problems” as above. Even the use of terms like “win-win” expose the vestiges of the old competitive thinking. The point is that a negotiation is not something that can be won or lost, and the competitive metaphor limits creativity. The problem-solving metaphor does as well. Thus, the first rule of negotiations is: Accept only creative outcomes!

4.5.10 EMOTION IN NEGOTIATION

Emotions play an important part in the negotiation process, although it is only in recent years that their effect is being studied. Emotions have the potential to play either a positive or negative role in negotiation. During negotiations, the decision as to whether or not to settle rests in part on emotional factors. Negative emotions can cause intense and even irrational behavior, and can cause conflicts to escalate and negotiations to break down, but may be instrumental in attaining concessions. On the other hand, positive emotions often facilitate reaching an agreement and help to maximize joint gains, but can also be instrumental in attaining concessions. Positive and negative discrete emotions can be strategically displayed to influence task and relational outcomes and may play out differently across cultural boundaries.

Negative effect in negotiation

Negative affect has detrimental effects on various stages in the negotiation process. Although various negative emotions affect negotiation outcomes, by far the most researched is anger. Angry negotiators plan to use more competitive strategies and to cooperate less, even before the negotiation starts. These competitive strategies are related to reduced joint outcomes. During negotiations, anger disrupts the process by reducing the level of trust, clouding parties' judgment, narrowing parties' focus of attention and changing their central goal from reaching agreement to retaliating against the other side. Angry negotiators pay less attention to opponent’s interests and are less accurate in judging their interests, thus achieve lower joint gains. Moreover, because anger makes negotiators more self-centered in their preferences, it increases the likelihood that they will reject profitable offers. Opponents who really get angry (or cry, or otherwise lose control) are more likely to make errors: make sure they are in your favor. Anger doesn’t help in achieving negotiation goals either: it reduces joint gains and does not help to boost personal gains, as angry negotiators don’t succeed in claiming more for themselves. Moreover, negative emotions lead to acceptance of settlements that are not in the positive utility function but rather have a negative utility. However, expression of negative emotions during negotiation can sometimes be beneficial: legitimately expressed anger can be an effective way to show one's commitment, sincerity, and needs. Moreover, although NA reduces gains in integrative tasks, it is a better strategy than PA in distributive tasks (such as zero-sum). In his work on negative affect arousal and white noise, Seidner found support for the existence of a negative affect arousal mechanism through observations regarding the devaluation of speakers from other ethnic origins." Negotiation may be negatively affected, in turn, by submerged hostility toward an ethnic or gender group.

Differences in thinking and decision-making processes

When faced with a complex negotiation task, most Westerners (notice the generalization here) divide the large task up into a series of smaller tasks. Issues such as prices, delivery, warranty, and service contracts may be settled one issue at a time, with the final agreement being the sum of the sequence of smaller agreements. In Asia, however, a different approach is more often taken wherein all the issues are discussed at once, in no apparent order, and concessions are made on all issues at the end of the discussion. The Western sequential approach and the Eastern holistic approach do not mix well.

That is, American managers often report great difficulties in measuring progress in negotiations, particularly in Asian countries. After all, in America, you are half done when half the issues are settled. But in China, Japan, or Korea nothing seems to get settled. Then, surprise, you are done. Often,

Americans make unnecessary concessions right before agreements are announced by the other side. For example, one American department store executive traveling to Japan to buy six different consumer products for her chain lamented that negotiations for the first product took an entire week. In the United States, such a purchase would be consummated in an afternoon. So, by her calculations, she expected to have to spend six weeks in Japan to complete her purchases. She considered raising her purchase prices to try to move things along faster. But before she was able to make such a concession, the Japanese quickly agreed on the other five products in just three days. This particular manager was, by her own admission, lucky in her first encounter with Japanese bargainers.

This American executive's near blunder reflects more than just a difference in decision-making style. To Americans, a business negotiation is a problem-solving activity, the best deal for both parties being the solution. To a Japanese businessperson, on the other hand, a business negotiation is a time to develop a business relationship with the goal of long-term mutual benefit. The economic issues are the context, not the content, of the talks. Thus, settling any one issue really is not that important. Such details will take care of themselves once a viable, harmonious business relationship is established. And, as happened in the case of the retail goods buyer above, once the relationship was established—signaled by the first agreement—the other "details" were settled quickly.

American bargainers should anticipate such a holistic approach to be common in Asian cultures and be prepared to discuss all issues simultaneously and in an apparently haphazard order. Progress in the talks should not be measured by how many issues have been settled. Rather, Americans must try to gauge the quality of the business relationship. Important signals of progress can be the following:

- Higher-level executives from the other side being included in the discussions
- Their questions beginning to focus on specific areas of the deal
- A softening of their attitudes and position on some of the issues—"Let us take some time to study this issue"
- At the negotiation table, increased talk among themselves in their own language, which may often mean they're trying to decide something
- Increased bargaining and use of the lower-level, informal, and other channels of communication

4.5.11 TEAM NEGOTIATIONS

Due to globalization and growing business trends, negotiation in the form of teams is becoming widely adopted. Teams can effectively collaborate to break down a complex negotiation. There is more knowledge and wisdom dispersed in a team than in a single mind. Writing, listening, and talking, are specific roles team members must satisfy. The capacity base of a team reduces the amount of blunder, and increases familiarity in a negotiation.

Negotiation within Organizations

Conflict in organizations can be positive. After decades of managers thinking that conflict was toxic and something to be avoided at all costs, in the 1970s a new idea about organizational conflict came along: conflict management. Conflict management recognizes that, properly handled, disagreements can help an organization grow and change.

Five Negotiation Styles for Managing Conflict http://www.ehow.com/list_6569615_five-negotiation-styles-managing-conflict.html#ixzz135cwEItu

1. Competing. Those who use a competing negotiation style are often assertive and unwilling to cooperate. They place their needs above the needs of others and try to manipulate the situation

in their favor. They are usually more concerned with winning the fight than finding the best solution.

2. Accommodating. Individuals who use an accommodating negotiation style tend to be passive as they seek cooperation. They often neglect their needs and wants to make sure others get their way. Those who accommodate tend to be submissive, selfless and afraid of conflict.
3. Avoiding. Avoiding is a style in which neither assertiveness nor cooperation takes place. Typically ambivalent to their own wants and desires as well as the wants and desires of others, avoiders do just that. They have no desire to be involved in the conflict and will try to sidestep the situation, postpone dealing with it, or propose that the issue be ignored.
4. Collaborating. Those who collaborate are both assertive and cooperative; they are the exact opposite of avoiders. Collaborators seek a solution that satisfies all concerns while taking a leadership role in the conflict resolution. Collaborating involves creative solutions that embody the wants and needs of all involved in the conflict.
5. Compromising. Between competing and accommodating is the compromising style. Those who compromise try to find a quick solution that benefits everyone involved. Compromising frequently means both sides will give up part of their wants and desires in order to find common ground.

Depending upon the situation and time, the way the negotiations are to be conducted differs. The skills of negotiations depend and differs widely from one situation to the other. Basically the types can be divided into three broad categories.

Table 4.13: Type of negotiation

Types	**Parties Involved**	**Examples**
Day-to-day/ Managerial Negotiations	1. Different levels of Management 2. In between colleagues 3. Trade unions 4. Legal advisers	1. Negotiation for pay, terms and working conditions. 2. Description of the job and fixation of responsibility. 3. Increasing productivity.
Commercial Negotiations	1. Management 2. Suppliers 3. Government 4. Customers 5. Trade unions 6. Legal advisors 7. Public	1. Striking a contract with the customer. 2. Negotiations for the price and quality of goods to be purchased. 3. Negotiations with financial institutions as regarding the availability of capital.
Legal Negotiations	1. Government 2. Management 3. Customers	1. Adhering to the laws of the local and national government.

Source: Part -2 of Negotiating Skills - Ken Shah, Prof. Param J. Shah.

1. Day-to-day / Managerial Negotiations

Such types of negotiations are done within the organization and are related to the internal problems in the organization. It is in regards to the working relationship between the groups of employees. Usually, the manager needs to interact with the members at different levels in the organization structure. For conducting the day-to-day business, internally, the superior needs to allot job responsibilities, maintain a flow of information, direct the record keeping and many more activities for smooth functioning. All this requires entering into negotiations with the parties internal to the organization.

2. Commercial Negotiations

Such types of negotiations are conducted with external parties. The driving forces behind such negotiations are usually financial gains. They are based on a give-and-take relationship. Commercial negotiations successfully end up into contracts. It relates to foregoing of one resource to get the other.

3. Legal Negotiations

These negotiations are usually formal and legally binding. Disputes over precedents can become as significant as the main issue. They are also contractual in nature and relate to gaining legal ground.

Negotiation, at times can be a lengthy and cumbersome process. By asking whether it is necessary, time may sometimes be saved and unnecessary compromise avoided. On occasions, a request to negotiate may best be met by pointing out that the party making the request has no standing in the matter. If a manager has the undoubted authority to act, making a decision rather than negotiating about it may be the best tactic.

Alternatively, there are cases in which the best response to a request or a claim is to concede it without argument. Why waste time negotiating if the other party has a good case and there are no adverse consequences in conceding? Unnecessary negotiation, followed, perhaps, by a grudging concession of the other party's claim, will lose all the advantage that might be gained with a quick unexpected yes.
An alternative to a simple yes or no when a difference of view occurs is to skip negotiation and proceed immediately to some form of third – party intervention. An alternative to a simple yes or no when a difference of view occurs, is to skip negotiation and proceed immediately to some form of third – party intervention. On the most formal basis, this might imply a decision to take a dispute to court:informally, two managers who quickly realize that they cannot reach agreement about a working problem may jointly agree to stop wasting time in argument and refer the matter to a senior manager for resolution.

It is good to follow the general rule: Do not negotiate unless you have to – or unless you can obtain some direct or indirect advantage by doing so.

Process of negotiation

The whole process of negotiation can be broadly divided into 3 stages:

1. A preparation phase before the negotiation begins.
2. The actual process of negotiating.
3. The implementation and follow up of the agreement.

Prior to the actual interaction that leads to an agreement between various parties, the preparation for a successful negotiation process is essential. The achievement of the target has to be systematic and strategic move. This asks for a detailed and minute analysis. A manager needs to be clear about his perspective.

1) Evaluate relative strengths

Before embarking on negotiation there is a need to assess the party's relative strengths. This strength can be defined as the power to influence others so as to have an upper hand over the final outcome. Each side has certain bargaining power on the back of which the whole negotiating process can be carried. While weighting relative strengths, the judgment regarding four things is involved :

- The amount of authority that each party possesses to conduct negotiations and the ability of the parties to make decisions.
- The strength of each party to get sanctions or benefits that are unrelated to the matter under negotiation.
- The logic or equity in the arguments.
- The firm determination with which each party pursues its case.

2) Set the objectives

While planning negotiations, an assessment of relative strength should be linked to the determination of objectives. Usually, the stronger one's position is, the higher the level of objective achievement is there. The passing of the agreement takes place depending upon three different possible settlement levels.

- The ideal or the best possible deal.
- The expected settlement level.
- The worst, though still just acceptable deal.

As a negotiator, one needs to identify the top line objectives, the best achievable outcome and the outcome that can be acceptable at the lowest level. It is vital to consider the other party's viewpoint as well as one's own. One objective of negotiations is to help the other party feel satisfied with the outcome and not to be too aggressive in the process.

3) Keep an eye on the other side

For conducting successful negotiation, an eye on the other party's plans, strengths and weaknesses helps in deciding a winning strategy. What are the objectives of the other party? The facts and arguments they are likely to put forward and their overall winning strategy, all this knowledge is useful for preparing on the underlying and unstated issues. Besides, exchanging factual data before negotiations helps in overcoming delays or confusions. Checking of the issue, detailed facts and arguments, exchanging details are all preparatory assessments.

4) Decision regarding the style and the scene

This is planning of more actual negotiation. The negotiations can be conducted in number of different styles. They can be discursive or brisk, formal or informal, assertive or persuasive. Depending upon the role and responsibility of the individual the expression of these styles differ. Besides, whom to involve in the discussion process and whom not to involve, is a crucial task. Minutest details like the location of the negotiation site, the seating arrangements, refreshments to be provided, documentation aspects all need special attention. Negotiations are surely affected by the style, pace and composition of the negotiating teams but equally important are the seating plans, breaks and conducting of the session itself. It is also useful to keep some record of the outcome of negotiations to ensure a common understanding.

5) Setting of the Agenda

It is important to chalk out a plan of action in advance to avoid misunderstandings and common errors. If a clear cut guideline regarding what is to be done is provided, a lot of time and effort can be saved.

The agenda may be formal or informal. If the subject, scope and purpose are fixed in advance, confusion can be avoided. It is useful to remember that the progress of negotiation is influenced significantly by the first speaker. One way of securing a strong opening position is to volunteer a brief rehearsal of the background before full negotiations begin.

6) Pleading your case

To win the maximum favor in negotiation, tactics have to be used to strengthen one's position during the bargaining process. Prior to introducing a new issue, its acceptability by the opposite parties need to be rated. Compromise and concession are the essential aspects of negotiation. Equally necessary is the attachment of conditions to the concessions. The use of emotion in negotiating should be avoided. At times during discussions, people start getting emotionally attached. It is professionally dangerous to rise to the bait of personal attack. There are occasions, when a controlled display of emotion may be beneficial. For this, the two conditions are, that the emotion must be sincere and its use should be a conscious decision, not an instant reaction.
It is advantageous for a good negotiator to be a good listener. The most common fault occurs in saying too much and listening too little. To keep the heaviness out, use of humor reduces the tension. Use of humor also avoids a confrontational mode.

Experienced negotiators usually do not commit themselves to definite statements until they are confident that this will not prejudice their position. The art of reading between the lines help in avoiding perceptional errors.

7) Timing and Adjournments

The maximum time for which an individual can maintain continuous attention and involvement, is somewhere around two hours. Henceforth, while planning negotiations, thought needs to be given to the time-scale. The longest period for effective continuous negotiation is about two hours. For this the time allotted for presentation can be 15 to 20 minutes and ideal time for individual contribution at the beginning of the discussion is two to three minutes.

Breaks and adjournments are helpful revival from monotones discussions. They provide time to consider progress or new proposals within the team and avoid rash decisions. It also helps in bringing an end to unconstructive and personalized arguments. Besides, during the adjournment sessions the parties can have an opportunity for informal and casual talks.

8) Arriving at an agreement.

The closer the negotiation comes to end, the more sensitively the discussion needs to be handled. While weighing the benefits of the agreement, besides immediate returns the quality of long–term relationships also should be the crux.

The final offer and agreement needs to be timed to coincide with the discussion which is positively constructive. Before finalizing, it is advisable to check that all the aspects in the deal have been taken care of, particularly dates for implementation, completion time and definition and meaning of each term. Ensure that both parties fully understand what has been agreed and get the confirmation in writing. Those issues that still remain unsolved can be carried forward for future negotiations.
9) Effective Implementation
Arriving at an agreement is not an end in itself. The purpose with which negotiations are carried is to reach an outcome or action. An agreement is not successful until it has been effectively implemented. Adequate information and explanation should be supplied to those who are affected or apply the agreement.

10) Handling Breakdown

It is not necessary that negotiations always prove successful. At times an agreement may not be achieved and this requires other arrangements. A contingency plan should be kept ready in case of failure of the negotiations. The major options for handling breakdowns are either to go ahead on your own and take a decision that is best or seek third party intervention.

4.5.12 THEORIES OF SOCIALIZATION

4.5.12.1 INTRODUCTION

It is easy to respond to an answer what is a communication: it is usual and daily work for everyone. This word arose from Latin word ‘communication’ and has two meanings: first is intercourse and the second is communion. We want or no, can or cannot, but we are talking all the time, from the early morning till the late evening. Children communicate with parents, students with teachers, employees with leaders, associates, customers. Though, no one is not near you, but we feel influence of people round about. To cap it all, we start to talk to our part.

So, when we communicate, we can supply our main demands, also we can change the information to each other, it helps to know essential news and simply to do daily works. Moreover, a communication gives to us a possibility to understand our parts; we can share our minds, emotions, so we can open our personalities. Hence, social demands stimulate us to communicate. The process of communication is complicated and multiple. Also it helps to us to start everything: for example, new relationships, new search of a labor and many other things. ‘Communication is one of the most important processes that take place in organizations; it has major effects on individual, group, and organizational performance’ (George and Jones, 1996: 397).

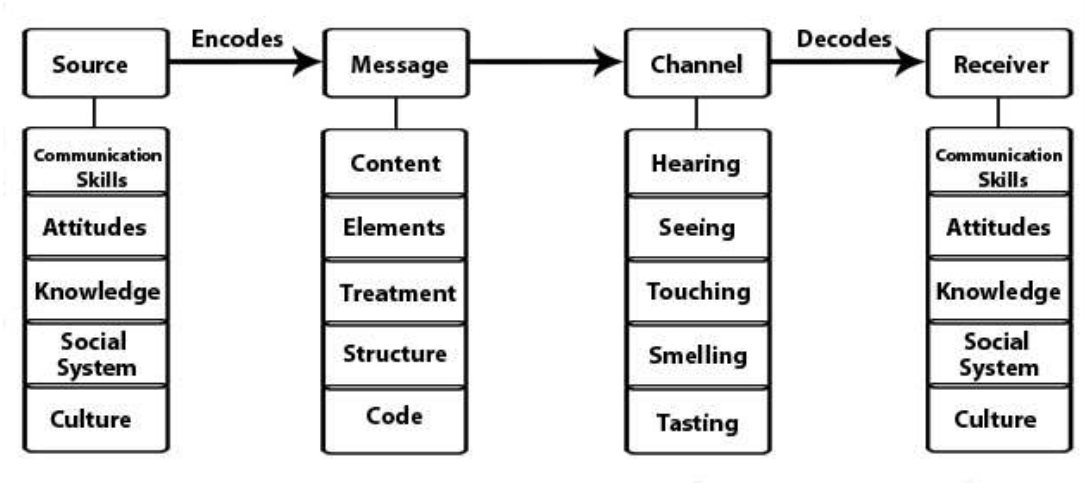
Also communication has a strong connection with socialization. Through the contact we are socializing in a new area. Socialization is a process, on which person absorbs values of society, standards, social experience and acquires to behavior by particular standards, and the person becomes a real member of society. And one of the main factor of socialization process is a person`s workplace. Authors DeSimone and Harris stated about organizational socialization – ‘the process of adjusting to a new organization’ (1998: 214). Socialization and communication have a lot of factors and elements within organization, which sometimes support efficiency and sometimes conversely, failure. These processes both together provide a possibility to create and maintain our social world. So **the problem** of work is: does the communication and socialization are the basis of essential matters working in organization?

4.5.12.2 THEORIES OF COMMUNICATION

The process of communication is ‘developmental and transfers to all areas of life: home, school, community, work, and beyond’ (Ivanko, 2012: 136). Because of that many authors have different opinions about the models of communication. It depends on which place the person is. There are several models:

‘Berlo`s SMCR’ (2010) - this model shows how having the skills to deliver your most inner thoughts through communication can be the difference between success and failure.

Figure 4.14: Berlo`s process of communication

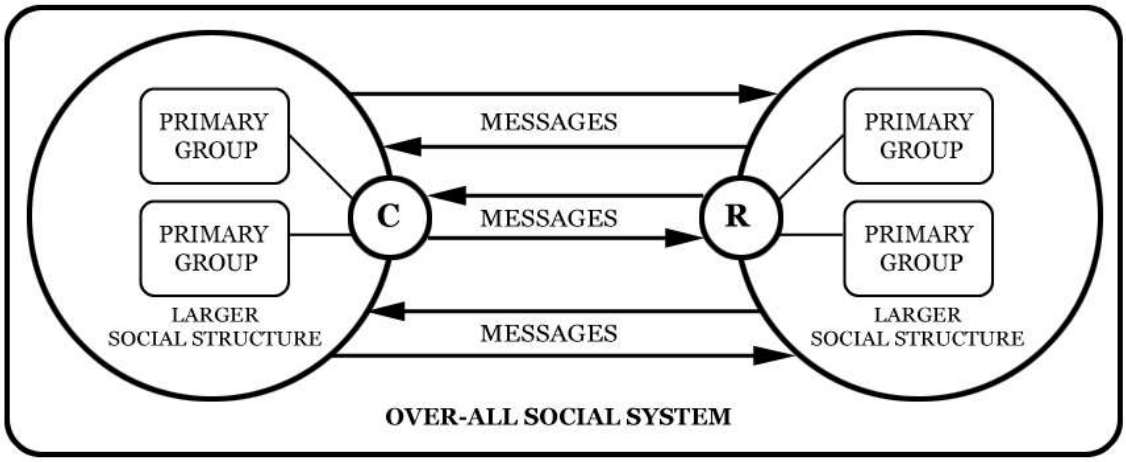


Source:*http://communicationtheory.org/wp-content/uploads/2010/01/berlos-smcr-model-of-communication-picture.jpg* (2010)

'This model believes that for an effective communication to take place the source and the receiver needs to be in the same level, only if the source and receiver are on the same level communication will happen or take place properly' (communication theory, 2010). There is no feedback in this model; also people have to be on the same level of communication.

'Riley and Riley model of communication' (2010). This model illustrates the sociological implications in communication.

Figure 4.15: Riley and Riley model of communication

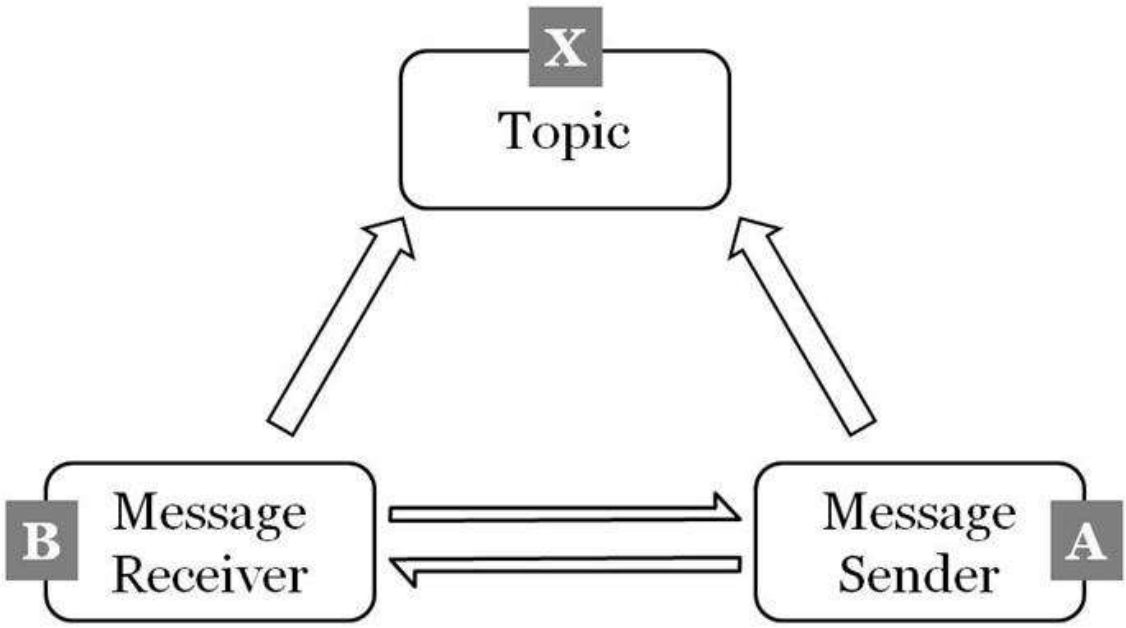


Source:http://communicationtheory.org/wp-content/uploads/2012/07/Riley-Riley-model.jpg (2010)

In this model the first 'larger social structure' have a 'C' (communicator) and two 'primary groups', and the second 'larger social structure' have a 'R' (receiver) and also two 'primary groups'. This model operation system works like this: 'C' sends a message with an agreement to the expectations of the groups and other people in the larger social system (communication theory, 2010). The 'R' is also works as like as 'C' which is also influenced by the other groups in the larger social system. The model clearly illustrates that communication is a two-way proposition. Communicator and receiver are part of a larger social context and are not acting in isolation. Riley and Riley model is helpful for sorting the disputes between the two large groups and it helps to develop the better ideas among groups.

'The Newcomb`s model' (2010)
'The main purpose of this theory is to introduce the role of communication in a social relationship (society) and to maintain social equilibrium within the social system'(communication theory, 2010).

Figure 4.16: The Newcomb`s model



Source:http://communicationtheory.org/wp-content/uploads/2011/09/the-newcombs-model-diagram.jpg (2010)

The relationship between A and B is like a leader and an employee. They have to work in the same current, but the factor 'X' may affect their relations on the current.
This model is different than others, because the author skipped a message as the separate element in communication; the concentration was on the social purpose of communication (communication theory, 2010).

4.5.12.3 THE ESSENCE OF SOCIALIZATION THROUGH THE ORGANIZATIONAL PRISM

As was written, the process of communication connects to socialization and it lets to us to deep in socialization`s components with resort of communication and other elements.
Socialization is a very long process, which includes all the spheres from a person`s life. A person must to learn to be the full-fledged in his society. A personality forms through the family, friends and various environments all the time. For example, socialization starts at the childhood, when child have learned to use the spoon or fork. With this learning child gets maturation. Under the scientists Berger and Luckman (1996), socialization is divided into two periods:

- 'Initial socialization'
- 'Secondary socialization'

The initial socialization is a succession of basic provisions and it involves with the childhood. This socialization is the main, because in this period forms all of personality`s attitudes, standards, skills, convictions and etc. (Berger and Luckmann, 1996). The secondary socialization is different than initial of others involvement in individual life, when much more impact has persons, a cultural process, for example, implements of society`s communication. In this period we have one of the impacts – organization. The author DeSimone and Harris (1998: 215) suggested definition of the scientists Van Maanen and Schein that organizational socialization – 'the process by which an individual acquires the social knowledge and skills necessary to assume an organizational role (1979). They emphasized 'a role', which means a position in group. 'When newcomers enter a new group, they must learn what roles they are expected to fulfill in order to fit in and perform effectively' (DeSimone and Harris, 1998: 215). The authors quoted Schein, whom divided roles into three dimensions (DeSimone and Harris, 1998: 216):

- 'Inclusionary' – it is a social dimension, which means that this person is outside yet;
- 'Functional' - it is a task dimension, which includes person to sales or engineering;
- 'Hierarchical' – it is a rank dimension, which means that person could be management or officer and etc.

These dimensions serve as boundaries that employees cross during their careers. So if everyone oversteps each boundary, they will achieve a career, but always is the risk of failure and negative outcomes.

According to the new attitude to organizational theory, socialization could assess than the element of adaptation`s process together with individualization`s process (Kurutienė, 2006: 3). It is a complex of organizational socialization. Figure 3.1 summarizes what employees should learn and develop through socialization.

Figure 4.17: Socialization content

Performance Proficiency	Learning and mastering the knowledge, skills and abilities to perform the required work task.
People	Establishing successful and satisfying work relationships with organizational members.
Politics	Gaining information regarding formal and informal work relationships and power structures.
Language	Understanding the profession's technical language as well as acronyms, slang and jargon unique to the organization.
Organizational goals And values	Understanding the rules or principles that maintain the integrity of the organization.
History	Learning the organization's traditions, customs, myths, personal background of other members.

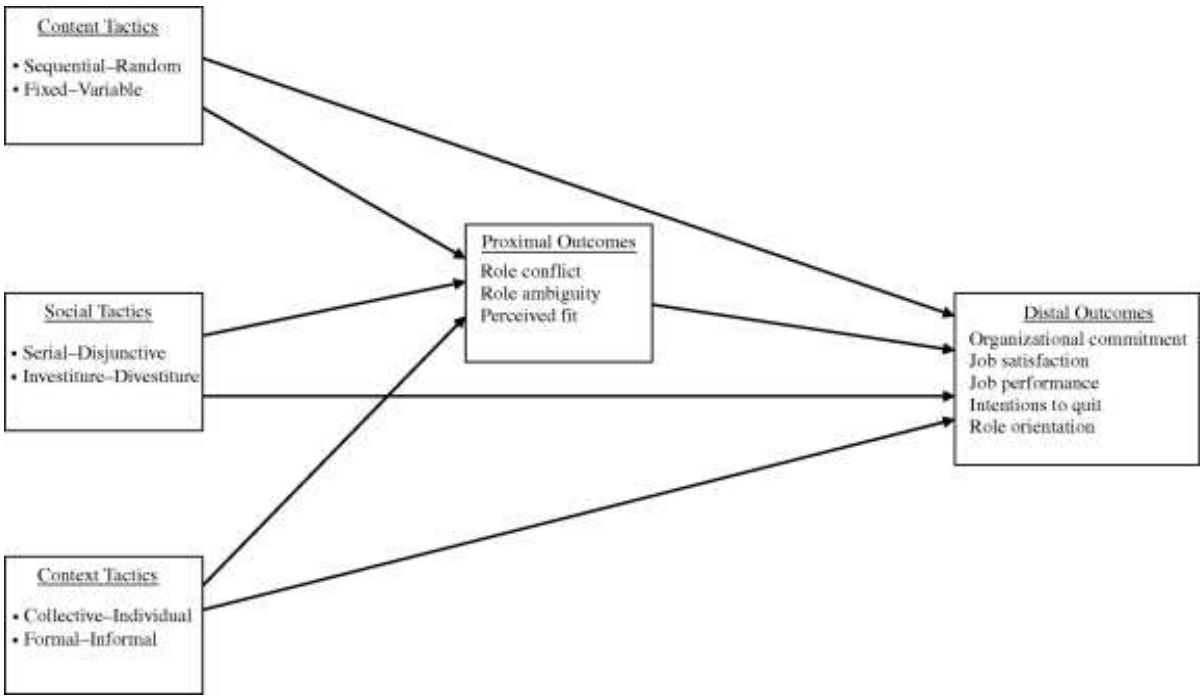
Source: Chao, G. T., O`Leary-Kelly, A. M., Wolf, S., Klein, H. J., & Gardner, P. D. (1994). Organizational socialization: Its content and consequences. Journal of Applied Psychology.

It is the basic elements of organizational socialization. 'Organizational socialization can be considered a learning process in that newcomers must learn a wide variety of information and behaviors to be accepted as an organizational insider' (DeSimone and Harris, 1998: 218). There are a lot of suggestions of the matters, for example, author Fisher divides its learning into five categories, which usually undergo attitude and behavioral changes.

4.5.12.4 THEORIES OF SOCIALIZATION

Van Maanen and Schein`s model of socialization tactics
Van Maanen and Schein typology of socialization is a few clear in the literature. Authors stated about this model: it is 'a set of interrelated theoretical propositions about the structure and outcome of organizational socialization processes' (Van Maanen and Schein, 1979: 214).

Figure 4.18: Van Maanen and Schein`s model of socialization tactics



Source:https://www.google.lt/search?q=Van+Maanen+and+Schein%E2%80%99s+(1979)+Model+of+Socialization+Tactics&sugexp=chrome,mod%3D13&um=1&ie=UTF-8&hl=lt&tbm=isch&source=og&sa=N&tab=wi&ei=2tGvUIicM4jYsgaanYCoCQ&biw=1024&bih=462&sei=UtKvUNWOO4autAaF8YHgBQ (2012)

This model proposed six bipolar tactics, which help to form socialization`s experience of newcomers (‘collective vs individual, formal vs informal, sequential vs random, fixed vs variable, serial vs disjunctive, investiture vs divestiture’) (Saks, 1997). These tactics operate on the role of newcomer and help to adapt in the organization.

Feldman`s three-stage model

Many theorists who have written about organizational socialization have described the process using stage models. This three-stage model of Feldman represents this type of stages.

Figure 4.19: Feldman`s three-stage model

Source:https://www.cia.gov/library/center-for-the-study-of-intelligence/csi-publications/books-and-monographs/analytic-culture-in-the-u-s-intelligence-community/page_98.pdf

The first stage, anticipatory socialization, begins before the individual joins the organization. During this phase, they may do some research or receive some information about the company before they commence working there. Media is helpful in this situation. ‘ Also during the anticipatory socialization stage, individuals may be examining the extent to which their skills, abilities, needs, and values match those they perceive the organization requires or prefers’ (DeSimone and Harris, 1998: 221).
The second stage, encounter stage (accommodation), begins at the ‘formal commitment to join the organization’ (DeSimone and Harris, 1998: 221).
Throughout this time, employees will form their initial impressions of the company and of their fellow colleagues. Sometimes they find unpleasant things into the organization. This stage has to be a basic for further period into organization: ‘new employees must manage conflicts between between lifestyle and work, resolve any role conflicts within the work group, define and clarify their own roles and etc.’ (DeSimone and Harris, 1998: 221).
The third stage is called ‘change and acquisition’ (role management). It is like ‘an adaptation is over’. Employees may feel like they 'fit in' more within their team and may feel more in control. This final stage will usually happen for individuals after different periods of time in a new job, because it depends on experience, ability to adapt into new places. ‘Fieldman suggests that employees who successfully complete this stage will likely be satisfied, internally motivated, and involved in the job’ (DeSimone and Harris, 1998: 221).
So this model suggests to take notice of that socialization has many impacts.

4.5.12.5 CONCLUSIONS

So the communication is a multiple and difficult process, which determine success of a career. Efficiency communication helps to us to avoid many problems into the organization. The communication within organization is one from the basic aspects in a fluent work and in the achievement of goals. The theories of communication put in a right way, how people have to form their communication`s links.
Socialization is the most common process in all person`s life. It has two periods. The second socialization includes organizational socialization, in which individuals must learn the skills and behaviors necessary to perform their jobs effectively. This process prepares employee to be a part of organization.
Models of organizational socialization reveal stages, which employees have to overcome. It emphasizes the main factors affected ‘anticipatory’ socialization, ‘encounter’, ‘change and acquisition’. So the importance of socialization discloses its effectiveness in the organization.
A communication is the main process in a person`s life. It helps to succeed a career. This success is concerned with socialization also. These processes provide a possibility to create and maintain our social world, especially our job. The aim of this work is to analyze the meanings and theories of communication and socialization within the organization and to have understanding, how is it involve its.

The survey method is grounded on the systemic research and analysis of the theories of communication and organizational socialization. The main conclusions of the work project are following:

1) the communication within organization is one from the basic aspects in a fluent work and in the achievement of goals;

2) the process of socialization prepares employee to be a part of organization; 3) models of organizational socialization reveal stages, which employees have to overcome.

The processes of communication and socialization provide a possibility to create and maintain our social world, especially our job.

Review questions

1. What role does communication play in decision making?
2. What do you think is better communication - informal or formal?
3. Do we have to allove to workers to have access to social media foe example face book, twiter.
4. How could recognize, when information is perverse and it comes inefficiency?
5. What the essence of effective speech?
6. Who has a special impact of possible outcomes of organizational socialization?
7. What are the differences between communications theories and socialization`s theories? How are they similar?

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4.6 LEADERSHIP OF GROUPS AND ORGANIZATIONS

4.6.1 INTRODUCTION

As the economy develops very fast, there are more and more organizations in our society because large works can not be accomplished by an individual alone. On the other hand, groups and organizations can not accomplish tasks or achieve goals very well without the help of a single person acting as a leader. So leadership is of great importance in today's economic life. Many researchers think that the demand for available leaders is much more today than it has ever been, and leadership development has been rated the number one human capital challenge which the groups and organizations are faced with today.

Leadership, a critical management skill, is "organizing a group of people to achieve a common goal". It is the force that energizes and directs groups. A leader is a person who has a vision, a drive and a commitment to achieve that vision, and the skills to make it happen. The leader may or may not have any formal authority, depending on different kinds of leaders. And there are also many theories about the styles of leaders, which we will talk about later.

Thus leadership is so important for people in groups and organizations to accomplish their tasks and achieve their goals, it is significant that we understand how leaders emerge and what traits make them effective. This paper will show you that leadership is a complex function involving a leader, followers, and situations. Besides the styles and definition, we will also talk about a large number of theories about leadership, involving traits, behavior and models later in this paper.

4.6.2 DEfiNITION OF LEADERSHIP

What is Leadership. There are hundreds of definitions of leadership and this is not an attempt to come to a consensus. Among these definitions, some view leadership as a series of specific traits or characteristics. Others see it as comprised of certain skills and knowledge. And some, me included, think of leadership as a process. This view of leadership, as a process, places an emphasis on social interaction and relationship. Leadership has been described as the "process of social influence in which one person can enlist the aid and support others in the accomplishment of a common task", by this view. The following are some definitions that have a bias toward leadership as a process:

- "Leadership is a process of giving purpose (meaningful direction) to collective effort, and causing willing effort to be expended to achieve purpose." (Jacobs & Jaques).
- "Leadership is the process of influencing the activities of an individual or a group in efforts toward goal achievement in a given situation." (Hersey & Blanchard).
- "Leadership is an attempt at influencing the activities of followers through the communication process and toward the attainment of some goal or goals." (Donelly).
- "Leadership is defined as the process of influencing the activities of an organized group toward goal achievement." (Rauch & Behling).
- "Leadership is interpersonal influence, exercised in a situation, and directed, through the communication process, toward the attainment of a specified goal or goals." (Tannenbaum, et al.).

We can see from the above that one characteristic shared by the leaders is their ability to influence others. In this view, leadership is the use of non-coercive and symbolic influence to direct and coordinate the activities of the members of an organized group toward the accomplishment of group objectives. So leadership is influencing - by providing purpose, direction, and motivation - while operating to accomplish the mission and improving the organization. The further definition going on of

“influence” is: a means of getting people to do what you want them to do. It is the means or method to achieve two ends: operating and improving. But there is more to influencing than simply passing along orders. The example you set is just as important as the words you speak. And you set an example - good or bad - with every action you take and word you utter, on or off duty. Through your words and example, you must communicate purpose, direction, and motivation. But as we know, not all kinds of influence are a part of leadership. In fact, the leader’s influence must to some degree be supported by followers. And whatever the circumstances is, the idea that followers voluntarily surrender control over their own behavior to leaders forms an integral part of the difinition of leadership. What’s more, a complete definition of leadership must describe the context in which leadership occurs and the symbolism captured in the leader. Leadership occurs in goal-oriented group contexts. And they also serve an important symbolic function for both group members and outsiders. This type of symbolism is important, because not every employee can understand all that goes on in the organization and inspire the whole group or organization when they are in the bad situation. Then, the leader can offer a logically compelling and emotionally satisfying focal point for people who are trying to understand the causes and consequences of organized activity. Focusing on the leader turns organizational complexities to simple ones where people can understand and communicate easier and better.

4.6.3 DIFFERENCE BETWEEN LEADERS AND MANAGERS

In difining leadership, it is important to distinguish between leaders and managers. According to Mintzberg’s overview of managerial roles, the role of leader is just one of ten roles commonly occupied by managers. Leadership only deals with guiding and motivating employees. From this point of view, leadership is merely one of many managerial tasks.

In Steve Wolinski’s view, management is a career. Leadership is a calling. You don't have to be tall, well-spoken and good looking to be a successful leader. You don't have to have that "special something" to fulfill the leadership role. What you have to have is clearly defined convictions - and, more importantly, the courage of your convictions to see them manifest into reality. Only when you understand your role as guide and steward based on your own most deeply held truths can you move from manager to leader.

Whether the group you oversee is called employees, associates, co-workers, teammates or anything else, what they are looking for is someone in whom they can place their trust. Someone they know is working for the greater good - for them and for the organization. They're looking for someone not only that they can - but that they want to - follow. Because it is only when you have followers - people who have placed their trust in you - that you know you have moved into that leadership role. And the way you see it is that your organization is transcending all previous quality, productivity, innovation and revenue achievements. You're operating at such a high level of efficiency that you're giving budget back to the corporation - and you're still beating your goals. You're achieving what you always dreamed could be achieved. And not only that, but it's actually easier than you thought. Because you're a leader. Because the classic command and control management model - which, contrary to popular belief still applies even in our most progressive 21st century companies - is no longer in play. Sure, controls are in place. Sure, you're solving problems that arise. But it's not just you alone. You have the people in whom you've put your trust - and who have happily and safely reciprocated - to help you create organizational success.

4.6.4 THE INTEGRATED LEADERSHIP MODEL

To facilitate the process of learning about the many different theories of leadership, we will present a single conceptual framework here - the integrated leadership model, which includes all of the other theories. This model emphasis on the three elements that go into leadership: the leader, the followers and the situation; and the three actors that characterize the leader: traits, behaviors and decision-making styles. Usually, people regard leadership as the simple leader and they don’t pay enough attentions on

the followers and the situation. However, leaders don't exist alone in groups or organizations. They have to work with their followers and deal with different situations.

Leader with followers

- A leader cannot exist without followers existing.
- A leader exercises authority over the group, and it should be willingly accepted by his followers.
- Leadership is not conferred or ordered but to be earned

Leader in Situation

- Leadership patterns changes according to the type of group and the situation in which the group is operating.
- A leader should know the role to be adopted on different situations.
- These are also criterions about leaders.

Edward Hollander has suggested that the leadership process is best understood as the occurrence of mutually satisfying interactions among leaders and followers within a particular situational context. The locus of leadership appears where these three forces - leaders, followers, and situations - come together. In Hollander's view, we can understand leadership only by gaining an appreciation of the important characteristics of these three forces and the ways in which they interact.

4.6.5 APPROACHES TO LEADERSHIP

Leadership Traits

The earliest approaches to leadership held that leaders were born, not made. In 1869, Sir Francis Galton argued that the traits of great leaders were inherited. Now more and more research projects involving hundreds of leaders and thousands of followers suggest that the amount of time and energy that the leader devotes to the job is a major determinant of follower ratings of leader effectiveness. Certainly, anecdotal reports support the notion that many leaders simply work harder than average individuals, and many CEOs are reported working 80 hours a week.
Then what traits should leaders have?

Responsibility:

- A leader is expected to assume full responsibility in all situations.
- He must steer the group clear of all difficulties.
- He has to assume responsibility for all actions of the group.

Understanding nature:

- Important characteristic feature of leadership is its nature to understand the feelings and problems of the group as a whole as well as the individuals.
- Guide a leader is looked upon as a friend and a philosopher.
- A leader should strive to satisfy the personal and social needs of his followers, which is very much expected by them.

Precedence:

- Since the leader influences the behavior and the activities of the followers he should be endowed with the technical competence and the personality traits
- He should also be well aware of his own preferences and limitations too impress upon his followers.

Initiates action

- Leader communicates the policies and plans to the subordinates from where the work actually starts.

Motivation

- A leader motivates the employees with economic and non- economic rewards and thereby gets the work from the subordinates.

Providing guidance

- A leader guides by instructing the subordinates the way they have to perform their work effectively and efficiently.

Creating confidence

- Confidence is an important factor which can be achieved through expressing the work efforts to the subordinates, explaining them clearly their role and giving them guidelines to achieve the goals effectively.
- It is also important to hear the employees with regards to their complaints and problems.

Building morale

- A leader can be a morale booster by achieving full co-operation so that they perform with best of their abilities as they work to achieve goals.

Builds work environment

- Management is getting things done from people. An efficient work environment helps in sound and stable growth. He can listen to his subordinates' problems and solve them. He can treat employees on humanitarian terms.

Co-ordination

- Co-ordination can be achieved through reconciling personal interests with organizational goals. This synchronization can be achieved through proper and effective co-ordination which should be primary motive of a leader.

What's more, leaders also have many other traits, such as strong desire to succeed, education, good judgment, empathy, self-confidence, creativity and drive, and also enthusiasm and optimism.

4.6.6 LEADERSHIP BEHAVIORS

Based on interviews with supervisors and clerical workers at the Prudential Insurance Company, researchers concluded that two general classes of supervisory behavior exist: employee-oriented behavior, which aims to meet the social and emotional needs of group members, and job-oriented behavior, which focuses on careful supervision of employees' work methods and task accomplishment. Early studies indicated that work attitudes were better and productivity was higher in the groups led by supervisors who displayed employee-oriented behaviors.

Another set of early studies that relied on questionnaires rather than interviews reached similar conclusions about leader behavior. After analyzing workers' responses to a questionnaire through a sophisticated statistical procedure called factor analysis, researchers concluded that most supervisory behaviors could be assigned to one of two dimensions: consideration or initiating structure. The consideration dimension closely resembles the employee-centered orientation, in that both dimensions address the individual and social needs of workers. Similarly, the initiating-structure dimension resembles the job-centered orientation, in that both are concerned with the clarification of work processes and expectations.

4.6.7 LEADERSHIP STYLES

Leadership style refers to a leader's behavior. It is the result of the philosophy, personality, and experience of the leader. Different situations call for different leadership styles. The style adopted should be the one that most effectively achieves the objectives of the group while balancing the interests of its individual members.

The Authoritarian or Autocratic Leader

This is often considered the classical approach. Under this style, all decision-making powers are centralized in the leader, as with dictators. Leaders do not entertain any suggestions or initiatives from subordinates. And they do not consult employees, nor are they allowed to give any input. Employees are expected to obey orders without receiving any explanations. The motivation environment is produced by creating a structured set of rewards and punishments. The autocratic management has been successful as it provides strong motivation to the manager. It permits quick decision-making, as only one person decides for the whole group and keeps each decision to him/herself until he/she feels it needs to be shared with the rest of the group.

This leadership style has been greatly criticized during the past 30 years. Some people tend to think of this style as a vehicle for yelling, using demeaning language, and leading by threats and abusing their power. This is not the authoritarian style, rather it is an abusive, unprofessional style called "bossing people around." It has no place in a leader's repertoire. Some studies also say that organizations with many autocratic leaders have higher turnover and absenteeism than other organizations. Certainly Gen X employees have proven to be highly resistant to this management style. These studies say that autocratic leaders:

- Rely on threats and punishment to influence employees.
- Do not trust employees.
- Do not allow for employee input.

Yet, autocratic leadership is not all bad. Sometimes it is the most effective style to use. These situations can include:

- New, untrained employees who do not know which tasks to perform or which procedures to follow.
- Effective supervision can be provided only through detailed orders and instructions.
- Employees do not respond to any other leadership style.
- There are high-volume production needs on a daily basis.
- There is limited time in which to make a decision.
- A manager's power is challenged by an employee.
- The area was poorly managed.
- Work needs to be coordinated with another department or organization.

The autocratic leadership style should not be used when:

- Employees become tense, fearful, or resentful.
- Employees expect to have their opinions heard.
- Employees begin depending on their manager to make all their decisions.
- There is low employee morale, high turnover and absenteeism and work stoppage.

This style is used when leaders tell their employees what they want done and how they want it accomplished, without getting the advice of their followers. Some of the appropriate conditions to use it are when you have all the information to solve the problem, you are short on time, and your employees are well motivated. The authoritarian style should normally only be used on rare occasions.

If you have the time and want to gain more commitment and motivation from your employees, then you should use the participative style.

The Democratic or Participative Leader

The democratic leadership style is also called the participative style as it encourages employees to be a part of the decision making. This style involves the leader including one or more employees in the decision making process (determining what to do and how to do it). And they also keep their employees informed about everything that affects their work and shares decision making and problem solving responsibilities. However, the leader maintains the final decision making authority. So this style requires the leader to be a coach who has the final say, but gathers information from staff members before making a decision.

Using this style is not a sign of weakness, rather it is a sign of strength that your employees will respect. Democratic leadership can produce high quality and high quantity work for long periods of time. Many employees like the trust they receive and respond with cooperation, team spirit, and high morale. Typically the democratic leader:

- Develops plans to help employees evaluate their own performance
- Allows employees to establish goals
- Encourages employees to grow on the job and be promoted
- Recognizes and encourages achievement.

Like the other styles, the democratic style is not always appropriate. It is most successful when used with highly skilled or experienced employees or when implementing operational changes or resolving individual or group problems The democratic leadership style is most effective when:

- The leader wants to keep employees informed about matters that affect them.
- The leader wants employees to share in decision-making and problem-solving duties.
- The leader wants to provide opportunities for employees to develop a high sense personal growth and job satisfaction.
- There is a large or complex problem that requires lots of input to solve.
- Changes must be made or problems solved that affect employees or groups of employees.
- You want to encourage team building and participation.

Democratic leadership should not be used when:

- There is not enough time to get everyone's input.
- It's easier and more cost-effective for the manager to make the decision.
- The business can't afford mistakes.
- The manager feels threatened by this type of leadership.
- Employee safety is a critical concern.

This is normally used when you have part of the information, and your employees have other parts. Note that a leader is not expected to know everything - this is why you employ knowledgeable and skillful employees. Using this style is of mutual benefit - it allows them to become part of the team and allows you to make better decisions.

The Delegative or Free-Rein or Laissez Faire Leader

A free-rein leader does not lead, but leaves the group entirely to itself. Such a leader allows maximum freedom to subordinates; they are given a free hand in deciding their own policies and methods. However, the leader is still responsible for the decisions that are made. This is used when employees

are able to analyze the situation and determine what needs to be done and how to do it. You cannot do everything! You must set priorities and delegate certain tasks.
This is an effective style to use when:

- Employees are highly skilled, experienced, and educated.
- Employees have pride in their work and the drive to do it successfully on their own.
- Outside experts, such as staff specialists or consultants are being used
- Employees are trustworthy and experienced.
- This style should not be used when:
- It makes employees feel insecure at the unavailability of a manager.
- The manager cannot provide regular feedback to let employees know how well they are doing.
- Managers are unable to thank employees for their good work.
- The manager doesn't understand his or her responsibilities and is hoping the employees can cover for him or her.

This is not a style to use so that you can blame others when things go wrong, rather this is a style to be used when you fully trust and confidence in the people below you. Do not be afraid to use it, however, use it wisely!

Varying Leadership Style

A key element of leader effectiveness is choosing the right type of style, at the right time, in the right situation. When developing your leadership skills, one must soon confront an important practical question, "What leadership styles work best for me and my organization?"

While the proper leadership style depends on the time and the situation, there are three other factors that also influence which leadership style to use:

- The manager's personal background. What personality, knowledge, values, ethics, and experiences does the manager have. What does he or she think will work?
- The employees being supervised. Employees are individuals with different personalities and backgrounds. The leadership style manager’s use will vary depending upon the individual employee and what he or she will respond best to.
- The company. The traditions, values, philosophy, and concerns of the company will influence how a manager acts.

A good leader uses all three styles, depending on what forces are involved between the followers, the leader, and the situation. Some examples include:

- Using an authoritarian style on a new employee who is just learning the job. The leader is competent and a good coach. The employee is motivated to learn a new skill. The situation is a new environment for the employee.
- Using a participative style with a team of workers who know their job. The leader knows the problem, but does not have all the information. The employees know their jobs and want to become part of the team.
- Using a delegative style with a worker who knows more about the job than you. You cannot do everything and the employee needs to take ownership of her job! In addition, this allows you to be at other places, doing other things.
- Using all three: Telling your employees that a procedure is not working correctly and a new one must be established (authoritarian). Asking for their ideas and input on creating a new procedure (participative). Delegating tasks in order to implement the new procedure (delegative).

4.6.8 THEORY OF LEADERSHIP

“The best way to have a good idea, is to have a lot of ideas.” Dr. Linus Pauling (Two times winner of the Nobel Prize). Then you might say the best way to lead is to have many options from which to choose. As part of your leadership development effort, you should consider developing as many leadership theories as possible. This paper lists 30 different leadership theories. With each theory is a short and sweet definition designed to help highlight the essential makeup of each leadership theory you can use.

Transactional Leadership

This style of leadership starts with the idea that team members agree to obey their leader totally when they accept a job. The "transaction" is usually the organization paying the team members in return for their effort and compliance. The leader has a right to "punish" team members if their work doesn't meet the pre-determined standard.

Team members can do little to improve their job satisfaction under transactional leadership. The leader could give team members some control of their income/reward by using incentives that encourage even higher standards or greater productivity. Alternatively, a transactional leader could practice "management by exception" – rather than rewarding better work, the leader could take corrective action if the required standards are not met.

Transactional leadership is really a type of management, not a true leadership style, because the focus is on short-term tasks. It has serious limitations for knowledge-based or creative work, however it can be effective in other situations.

Charismatic Leadership

A charismatic leadership style can seem similar to transformational leadership, because these leaders inspire lots of enthusiasm in their teams and are very energetic in driving others forward. However, charismatic leaders can tend to believe more in themselves than in their teams, and this creates a risk that a project, or even an entire organization, might collapse if the leader leaves. In the eyes of the followers, success is directly connected to the presence of the charismatic leader. As such, charismatic leadership carries great responsibility, and it needs a long-term commitment from the leader.

Transformational Leadership

As we discussed earlier, people with this leadership style are true leaders who inspire their teams constantly with a shared vision of the future. While this leader's enthusiasm is often passed onto the team, he or she can need to be supported by "detail people." That's why, in many organizations, both transactional and transformational leadership are needed. The transactional leaders (or managers) ensure that routine work is done reliably, while the transformational leaders look after initiatives that add new value

Bureaucratic leadership

Bureaucratic leaders work "by the book." They follow rules rigorously, and ensure that their staff follows procedures precisely. This is a very appropriate style for work involving serious safety risks (such as working with machinery, with toxic substances, or at dangerous heights) or where large sums of money are involved (such as handling cash).

Trait Theory

This theory postulates that people are either born or not born with the qualities that predispose them to success in leadership roles. That is, that certain inherited qualities, such as personality and cognitive

ability, are what underlie effective leadership. There have been hundreds of studies to determine the most important leadership traits, and while there is always going to be some disagreement, intelligence, sociability, and drive (aka determination) are consistently cited as key qualities.

Behavioral Theories

Behavioral theories of leadership are based upon the belief that great leaders are made, not born. Rooted in behaviorism, this leadership theory focuses on the actions of leaders not on mental qualities or internal states. According to this theory, people can learn to become leaders through teaching and observation.

Situational Theory

This theory suggests that different situations require different styles of leadership. That is, to be effective in leadership requires the ability to adapt or adjust one's style to the circumstances of the situation. The primary factors that determine how to adapt are an assessment of the competence and commitment of a leader's followers. The assessment of these factors determines if a leader should use a more directive or supportive style.

Skills Theory

This theory states that learned knowledge and acquired skills/abilities are significant factors in the practice of effective leadership. Skills theory by no means disavows the connection between inherited traits and the capacity to be an effective leader – it simply argues that learned skills, a developed style, and acquired knowledge, are the real keys to leadership performance. It is of course the belief that skills theory is true that warrants all the effort and resources devoted to leadership training and development

Path-Goal Theory

This theory is about how leaders motivate followers to accomplish identified objectives. It postulates that effective leaders have the ability to improve the motivation of followers by clarifying the paths and removing obstacles to high performance and desired objectives. The underlying beliefs of path-goal theory (grounded in expectancy theory) are that people will be more focused and motivated if they believe they are capable of high performance, believe their effort will result in desired outcomes, and believe their work is worthwhile.

Functional theory

Functional leadership theory is a particularly useful theory for addressing specific leader behaviors expected to contribute to organizational or unit effectiveness. This theory argues that the leader's main job is to see that whatever is necessary to group needs is taken care of; thus, a leader can be said to have done their job well when they have contributed to group effectiveness and cohesion. While functional leadership theory has most often been applied to team leadership, it has also been effectively applied to broader organizational leadership as well. These functions include environmental monitoring, organizing subordinate activities, teaching and coaching subordinates, motivating others, and intervening actively in the group's work.

Servant leadership

This term, created by Robert Greenleaf in the 1970s, describes a leader who is often not formally recognized as such. When someone, at any level within an organization, leads simply by meeting the needs of the team, he or she is described as a "servant leader."

In many ways, servant leadership is a form of democratic leadership, because the whole team tends to be involved in decision making.

Supporters of the servant leadership model suggest that it's an important way to move ahead in a world where values are increasingly important, and where servant leaders achieve power on the basis of their values and ideals. Others believe that in competitive leadership situations, people who practice servant leadership can find themselves left behind by leaders using other leadership styles.

Contingency Theory

Conti1ngency theories of leadership focus on particular variables related to the environment that might determine which particular style of leadership is best suited for the situation. According to this theory, no leadership style is best in all situations. Success depends upon a number of variables, including the leadership style, qualities of the followers and aspects of the situation.

Self-Leadership

Self-Leadership is a process that occurs within an individual, rather than an external act. It is an expression of who we are as people

Group leadership

In contrast to individual leadership, some organizations have adopted group leadership. In this situation, more than one person provides direction to the group as a whole. Some organizations have taken this approach in hopes of increasing creativity, reducing costs, or downsizing. Others may see the traditional leadership of a boss as costing too much in team performance. In some situations, the team members best able to handle any given phase of the project become the temporary leaders. Additionally, as each team member has the opportunity to experience the elevated level of empowerment, it energizes staff and feeds the cycle of success.

Leaders who demonstrate persistence, tenacity, determination, and synergistic communication skills will bring out the same qualities in their groups. Good leaders use their own inner mentors to energize their team and organizations and lead a team to achieve success..

Strategic Leadership

This is practiced by the military services such as the US Army, US Air Force, and many large corporations. It stresses the competitive nature of running an organization and being able to out fox and out wit the competition

Facilitative Leadership

This is a special style that anyone who runs a meeting can employ. Rather than being directive, one using the facilitative leadership style uses a number of indirect communication patterns to help the group reach consensus.

Influence Leadership

Here one looks at the behaviors associated how one exercises influence. For example, does the person mostly punish? Do they know how to reward?

Visionary Leadership

"The Roots of our Problems are: Wealth without work, Pleasure without conscience, Knowledge without character, Commerce without morality, Science without humanity, Worship without sacrifice, Politics without principles." – Mohandas K. Gandhi.

It's surprising who few leaders really have a clear view of what is happening socially or economically in their industry, nation or globally. The visionary leadership style focuses on how the leader defines the future for followers and moves them toward it.

Level 5 Leadership

This term was coined by Jim Collins in his book Good to Great: Why Some Company's Make the Leap and Other Don't. As Collins says in his book, "We were surprised, shocked really, to discover the types of leadership required for turning a good company into a great one." What he seems to have found is what The Economist calls, "The Cult of the Faceless Boss."

Primal Leadership

It would seem that just when you have it all sorted out, someone invents a new set of labels. Goleman's model of leadership is a relatively recent addition to the pantheon of leadership style. In this case, it is Danel Goleman. A psychologist who can write in more scholar English, he was one of the major people who popularized Emotional Intelligence and then followed it up with a book called "Primal Leadership. Worth taking a look at. It's based on the application of emotional intelligence to leadership. The six leadership styles one can use are: coaching, pace setting, democratic, affinitive, authoritative and coercive.

"Great Man" Theory

Great man theories assume that the capacity for leadership is inherent – that great leaders are born, not made. These theories often portray great leaders as heroic, mythic and destined to rise to leadership when needed. The term "Great Man" was used because, at the time, leadership was thought of primarily as a male quality, especially in terms of military leadership. Learn more about the great man theory of leadership

People-oriented or relations-oriented leadership

This is the opposite of task-oriented leadership. With people-oriented leadership, leaders are totally focused on organizing, supporting, and developing the people in their teams. It's a participative style, and it tends to encourage good teamwork and creative collaboration.
In practice, most leaders use both task-oriented and people-oriented styles of leadership.

Task-Oriented leadership

Highly task-oriented leaders focus only on getting the job done, and they can be quite autocratic. They actively define the work and the roles required, put structures in place, plan, organize, and monitor. However, because task-oriented leaders don't tend to think much about the well-being of their teams, this approach can suffer many of the flaws of autocratic leadership, with difficulties in motivating and retaining staff.

Neo-emergent theory

The Neo-emergent leadership theory espouses that leadership is created through the emergence of information by the leader or other stakeholders, not through the true actions of the leader himself. In other words, the reproduction of information or stories form the basis of the perception of leadership by the majority. It is well known that the great naval hero Lord Nelson often wrote his own versions of battles he was involved in, so that when he arrived home in England he would receive a true hero's welcome. In modern society, the press, blocs and other sources report their own views of a leader, which may be based on reality, but may also be based on a political command, a payment, or an inherent interest of the author, media, or leader. Therefore, it can be contended that the perception of all leaders is created and in fact does not reflect their true leadership qualities at all.

The Coaching Leader

A great coach is definitely a leader who also possesses a unique gifts ability to teach and train.

The Cross-Cultural Leader

Not all individuals can adapt to the leadership styles expected in a different culture whether that culture is organizational or national. In fact, there is some evidence that American and Asian Leadership Styles are very different, primarily due to cultural factors.

The Emergent Leader

Contrary to the belief of many, groups don't automatically accept a new "boss" as leader. Emergent leadership is what you must do when one taking over a new group.

The Exchange Leader

Sometimes known as leader-member exchange, the style involves the exchange of favors between two individuals. An exchange can be hierarchical between the bosses and subordinate or occur between two individuals of equal status. For this leadership style to work, you need to know how to develop, maintain and repair relationships.

Narcissistic leadership

Various academics such as Kets de Vries, Maccoby, and Thomas have identified narcissistic leadership as an important and common leadership style.

Toxic leadership

A toxic leader is someone who has responsibility over a group of people or an organization, and who abuses the leader-follower relationship by leaving the group or organization in a worse-off condition than when he/she first found them.

Review questions

1. What is leadership?
2. Difference between leaders and managers?
3. Leadership approaches?
4. Leadership styles?
5. Theories of leadership?

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4.7 INTELLIGENCES OF LEADERS AND MANAGERS

4.7.1 Introduction

To analyse what is the main charasteristic of the leaders and what is main characteristic of managers. What is the connection between them, to find the differencies and boarders the managers and leaders. They are living in a simbiosis, they couldn't excist without each other int he workplace. They are go hand in hand, and complete each other in the work. In my opnion it is like a family, the managers are the strict fathers, and the leaders are the mothers, who encourage you. Later I will explain my opinion. This is very „special" point of view. Before I started the erasmus program, I have worked as a project manager, It is just a type of the managers. This fact helped me to choose this theme. We had an upper-manager, who was our boss/director, but we didn't have really contact with her. We had a leader, who always helped us, and believed us and supported us. I could learn a loat of useful things from her. I was responsible for the financal side of the project, it was very interesting and I really loved it. I need to keep in touch with the executive members. I need to plan the budged, and somethimes change it. I need to controll the bills and everything, which was connected to the budget. I need to saw the deadlines and aware them. It was a pretty hard work for me, but my leader helped me a lot, and show me I could done it. For me as a manager that was so hard to be strict the peoples, but later I could learn it. I am really apprechiate my leader works, which done for me. I am curious where is the boarder between the leader and the manager. My leader knows everything, like my boss. The can work really good together, they could replace each other without problem. Maybe this was an ideal state. We could work together in an excellent way. Our structure was like a family. I started my essay with an citatum from Warren G. Bennis:

„Leaders are people who do the right thing; managers are people who do things right."

First of all I think this qoute is tell a loat of things about the managers and leaders. Furthermore they had to difference intelligences and different skills to fullfil excellent this jobs. I want to try find this particular intelligences, which needs to be a good leader or a good manager.

4.7.2 What is the definition of the Intelligence?

I tried to find something exact and universal defintion it is not managed. So I will show you some definiton from a loat of aspect. Howard Gardber, Devid Perkins, Robert Sternberg are the most famous people, who are try to define the intelligence. Firstly I would like to show you an universal example from the Oxford Dictionary:

Definition of **intelligence**

1 the ability to acquire and apply knowledge and skills: *an eminent man of great intelligence*

- *[count noun]* a person or being with the ability to acquire and apply knowledge and skills: *extraterrestrial intelligences*

2 the collection of information of military or political value: *the chief of military intelligence*

- people employed in the collection of military or political information: *British intelligence has secured numerous local informers*
- military or political information: *the gathering of intelligence*
- *archaic* information in general; news."

Hunt, Howard Gardber, Devid Perkins, Robert Sternberg was succeful to spread the intelligence meaning. They are wrote books from the point of own view. The following definitions came from other peoples, who want to define what the intelligence is. Learn. This includes all kinds of informal and formal learning via any combination of experience, education, and training. Pose problems. This includes recognizing problem situations and transforming them into more clearly defined problems. Solve problems. This includes solving problems, accomplishing tasks, fashioning products, and doing complex projects.

Some researchers dispute the fact, there are types of the intelligences like Howard Gardner, who is professor of the Harward University. He also discovered the multiple intelligence too. In his opinion, there are people, who can learn easily languages, or music or mathematics good in the field of dancing. It depeneds, what kind of types are we. For example, there are peoples, who are excellent in mathematic and logic, but very bad in dancing or for this people to hard to learn playing music instruments. We are different, and this is the part of our human being. He separate seven and one additional different intelligences. He argues this intelligences are really different from each other and everybody has some from these intelligences, just in the distinct level. The follow table contains the intelligences from Howard Gardner.

Table: 4.2 Examples for each of the eight intelligences from Howard Gardner

Intelligence	Examples	Discussion
Bodily-kinesthetic	Dancers, athletes, surgeons, crafts people	The ability to use one's physical body well.
Interpersonal	Sales people, teachers, clinicians, politicians, religious leaders	The ability to sense other's feelings and be in tune with others.
Intrapersonal	People who have good insight into themselves and make effective use of their other intelligences	Self-awareness. The ability to know your own body and mind.
Linguistic	Poets, writers, orators, communicators	The ability to communicate well, perhaps both orally and in writing, perhaps in several languages.
Logical-mathematical	Mathematicians, logicians	The ability to learn higher mathematics. The ability to handle complex logical arguments.
Musical	Musicians, composers	The ability to learn, perform, and compose music.
Naturalistic	Biologists, naturalists	The ability to understand different species, recognize patterns in nature, classify natural objects.
Spatial	Sailors navigating without modern navigational aids, surgeons, sculptors, painters	The ability to know where you are relative to fixed locations. The ability to accomplish tasks requiring three-dimensional visualization and placement of your hands or other parts of your body.

Robert Sternberg, also tried to categorize the intelligence, he focuses just the main components, which are the following:

1. Practical intelligence the ability to do well in informal and formal educational settings; adapting to and shaping one's environment; street smarts.

2. Experiential intelligence the ability to deal with novel situations; the ability to effectively automate ways of dealing with novel situations so they are easily handled in the future; the ability to think in novel ways.

3. Componential intelligence the ability to process information effectively. This includes metacognitive, executive, performance, and knowledge-acquisition components that help to steer cognitive processes.

He exclude the fact that you can be good more of them. He is opinion is you can be very good from just one of these categories.

David Perkins also organised into groups the type of intelligences like this:

1. Neural intelligence. This refers to the efficiency and precision of one's neurological system.
2. Experiential intelligence. This refers to one's accumulated knowledge and experience in different areas. It can be thought of as the accumulation of all of one's expertises.
3. Reflective intelligence. This refers to one's broad-based strategies for attacking problems, for learning, and for approaching intellectually challenging tasks. It includes attitudes that support persistence, systemization, and imagination. It includes self-monitoring and self-management.

„This definition of intelligence is a very optimistic one. It says that each of us can become more intelligent. We can become more intelligent through study and practice, through access to appropriate tools, and through learning to make effective use of these tools" (Perkins, 1995).

4.7.2 Who is the Leader?

There are a loat of definitions of the leaders, but there aren't an exact official definition. I tried to collect some from different persons.

"Leadership may be considered as the process (act) of influencing the activities of an organized group in its efforts toward goal setting and goal achievement." (Stogdill, 1950)

"Leadership is the accomplishment of a goal through the direction of human assistants. A leader is one who successfully marshals his human collaborators to achieve particular ends." (Prentice, 1961)
"Leadership is interpersonal influence, exercised in a situation, and directed, through the communication process, toward the attainment of a specified goal or goals." (Tannenbaum, Weschler & Massarik, 1961)

"Leadership is the initiation and maintenance of structure in expectation and interaction."(Stogdill, 1974)
"Leadership is a process of influence between a leader and those who are followers. "(Hollander, 1978)
"Leadership is the influential increment over and above mechanical compliance with the routine directives of the organization." (Katz & Kahn, 1978)
"Leadership is an influence process that enables managers to get their people to do willingly what must be done, do well what ought to be done." (Cribbin, 1981)
"Leadership is an attempt at influencing the activities of followers through the communication process and toward the attainment of some goal or goals." (Donelly, Ivancevich & Gibson, 1985)

"Leadership is the process of influencing the activities of an individual or a group in efforts toward goal achievement in a given situation." (Hersey & Blanchard, 1988)

"Leaders are those who consistently make effective contributions to social order, and who are expected and perceived to do so." (Hosking, 1988)

“Leadership is the art of influencing others to their maximum performance to accomplish any task, objective or project.” (Cohen, 1990)

“Leadership is a process of giving purpose (meaningful direction) to collective effort, and causing willing effort to be expended to achieve purpose.” (Jacobs & Jaques, 1990)

“Leaders are individuals who establish direction for a working group of individuals who gain commitment from this group of members to this direction and who then motivate these members to achieve the direction’s outcomes.” (Conger, 1992)

“Leadership is that process in which one person sets the purpose or direction for one or more other persons and gets them to move along together with him or her and with each other in that direction with competence and full commitment.” (Jaques & Clement, 1994)

Leader could be anyone, who can inspirate, encourage, infuence you. It is not neccesary for us to be a workplace. In my opnion is there are leader type people, and they can influence/lead you somethimes in an average day. It can be a good friend, your parents, your sister, your child, your partner or eveybody. There are an example, In my opion I’m leader to my little sister. She always want to know my opnion from her big decisons, or when somethimes she is not sure in herself, I always encourage her. But it was a really siplifised examle. But the other hand after my point of view this is a situation in a workplace too. Because the leader, who belive in you, unless you don’t belive yourself. He/She has a good view from the team members, know the strengthness and weakness the peoples. In accordance he/she can calculate with these in order to gain the main goals. Like a good mother or a mentor helped you, listening your fairs and problems and help you. In the workplace the leader had followers. The leader can influence the people to gain the main puposes, and give motivation. Famous leaders are Napoleon, Hannibal, Barack Obama, Margaret Teacher, Steve Jobs and so on.

4.7.3 Who is the manager?

A managers responsible for planning and directing the work, warning us for the deadlines. He/she fulfill a lot of different roles every day in the workplace. He/she has to be lead, resovling conflicts, negotiating, representing, organise meeting, be aware the deadlines, and monitoring. Henry Mintzberg recognise this and he sattle down the managerial roles in his book, which title is „Inside our Strange World Organisations”. In the follow chapter I would like to enumarate this managerial roles according to Minztberg exlpanations.

1. Figurehead: According to Mintzberg the manager is the visible leader of the team and performs symbolic duties.
2. Leader: the manager creates an the work culture of the team and also he/she need motivates and develops others.
3. Liaiser: develops and maintains a network of external contacts.
4. Monitor: the manager receives information about how the business is doing
5. Disseminator: the manager transmits information to those who need it
6. Spokesperson: the manager speaks on behalf of the team to the outside world
7. Entrepreneur: the manager designs and initiates change
8. Disturbance Handler: the manager responds to unexpected events and operational breakdowns
9. Resource Allocator: the manager controls and authorises the use of resources
10. Negotiator: the manager makes deals with others.

He collect these roles three big category. The first is the **Interpersonal**, it is contains Figurehead, Leader and Liason. The second is **Informal** it is include the Monitor, Disseminator, Spokesperson and the last one is the **Decisional** it is Enterpreneur, Disturbance Handler, Resource Allocator, Negotiator. We can see this job need a loat of qualities, it is so complex. The manager responsible for the whole team and also resbonsible for the quality of the work.

4.7.4 Differences between leader and manager:

Warren G. Bennis write a book from the differencies of the managers and leaders. In the following table we can see, what he found as a differences.

Table 4.3: Differences between leader and manager

LEADERS	MANAGERS
Do the right things	Do things right
Focus on WHAT can be accomplished	Focus on HOW things should be done
Innovation	Conformity
Commitment	Control
Outcome oriented	Rules oriented
Transformational	Transactional
Energize the system	Ensure stability of the system
Vision, Inspiration, Courage	Procedure, Strategy, Objective
Create change – take followers from one place to another	Manage change – ensure the ability to handle it

From this we can see that managers and leaders walking hand in hand. They can complete to each other. In my opnion nowadays you can't distinguish this to jobs like that. Somethimes they need to replace each other, or in some cases the manager is the leader in one person. That is the reason why it is hard to find the different intelligences.

4.7.5 Intelligences of Leaders:

Wisdom is a deep understanding something. There are seven pillars of the leadership wisdom, which you can put 3 groups. The first is Reflective, this include the Time perspective, the Reflective life experience and making sense of ambiguity. The second group is Cognitive, wchich include the Trade of judgement, Dealing with life prgamatics psyhological empathy and the last one is the Emotional, it is include the emotional maturity.

Daniel Goleman, who discovered the **Emotional Intelligence (EI).** He used first this phrase the Emotional Intelligence, it referess to how we manage ourselfs and how can manage our relationships. It is a profile from ourselfs, how self-awarness we are, how motivated wether we can handle our stressing fellings effectively how emphatic we are, and socially skills and able we are. He claim this is the (EI) He claims that this is the one of the most important factor to somebody who wants to became a good leader. We born these skills and learning in the shool, from our parents. As a leader you can't afford to work without (EI) skills, because it is the one important elements to be a good leader. When

somebody hasn't got emotional intelligence, no problem, you can develop this. It stands from five element.

The first is a **Self-awarness**, the ability to recognize and understand your moods, emotions, and drives as well as their effect on others. So you should know your fellings and use them as a guide. For example you can't show your employe when you don't like him or her. The hallmarks of this self-confidence, realistic self-assesment, self-deprecating sense of humor.

The Second is the **Self-Regulation**, which means the ability to contorol or redirect disruptive impluses and moods. The propensity to suspend judgement to think before acting. The hallmarks are the trustworthiness and integrity, comfort with ambiguity and openess to change.

The Third is the **Motivation**, a passion to work for reasons that go beyond money and status. A propensity to pursue goals with eneregy and persistence. The hallmarks are strong drive to acheive, optimism, even in the face of failure, organisational commitment.

The Fourth is **Emphaty** this is the ability to understand the emotional makeup of other people. Skill in treating people according to their emotional reactions. The hallmarks are expertise in building and retailing talent, cross-cultural sensitivity, service to clients and customers. It is extraordinary important because the people don't speak thier fellings, you can see this their faces, and signs of your employee. Also you have think about your customers, because they will come back, when you thinking with their brains, this is emphaty.

And the last one is **Social Skill**, which is proficiency in managing relationships and buliding networks. And ability to find common ground and build rapport. The hallmarks are effctiveness in leading change, persuasiveness, expertise in buliding and leading teams. How can handle your relationships how you deal with conflict, and people enjoy beign with.

You can learn Emotional Intelligence, with a loat of practise. An example for the Emotional Intelligence fir instance, when we are in a Restaurant somethimes we determined the waiter from the restaurant, or we determined the restaurant from the waiter. It is important, that we can separate the things, to see clearly. Or when you have people, who serve the public you can't afford the people, who hasn't (EI), because the customers won'T come back.

David Goleman claim the **social intelligence** is the interpersonal part of the Emotional Intelligence. The main point to beign a good leader is a social intelligence also. It helps to communicate to the peoples and helps understand people thoughts and felleings. As Goleman mentioned as a leader it is important tol isten carefully to the others and collect the information on your own. He belives this is the key to a succesful business practice.

David Goleman determined five steps of the (SI), the first is are you motivated? The leaders need some feedback from the employees with these they can develop as a leader. At least but not last identify strenghts and weakness and using this to belive your employees in you. And the last step is make a learning agreement with yourself it is plan to develop and improve your social skills. Social Intelligence (SI) is the ability to get along well with others, and to get them to cooperate with you. Sometimes referred to simplistically as "people skills," SI includes an awareness of situations and the social dynamics that govern them, and a knowledge of interaction styles and strategies that can help a person achieve his or her objectives in dealing with others. It also involves a certain amount of self-insight and a consciousness of one's own perceptions and reaction patterns.

Karl Brecht also made some research int he Social Intelligence, he was the first in this field. From the point of interpersonal skills, Karl Albrecht classifies behavior toward others as falling somewhere on a spectrum between "toxic" effect and "nourishing" effect. Toxic behavior makes people feel devalued, angry, frustrated, guilty or otherwise inadequate. Nourishing behavior makes people feel valued, respected, affirmed, encouraged or competent. A continued pattern of toxic behavior indicates a low level of social intelligence - the inability to connect with people and influence them effectively. A

continued pattern of nourishing behavior tends to make a person much more effective in dealing with others; nourishing behaviors are the indicators of high social intelligence.

4.7.6 Intelligences of Managers?

Mitzberg's point is from the managerial roles one point is to beeing a leader. So to being a manager is more complex than to be a leader. The manager has to able to spend her/his worktime with different tasks for instance planning, be aware the deadlines, organising, represent, and reflecting the results. He discovered a loat of characteristic of manager's job. According to Mintzberg's state's there are the characteristic of the managers jobs. In this list we can see how complete this kind of job. You have to have a loat os skills and intelligneces to fullfil a job as a manager.

The manager's job is a mixture of regular, programmed jobs and unprogrammed tasks. A manager is both a generalist and a specialist.

1. Managers rely on information from all sources but show a preference for that which is orally transmitted.
2. Managerial work is made up of activities that are characterised by brevity, variety and fragmentation.
3. Management work is more an art than a science and is reliant on intuitive processes and a feel for what is right.
4. Management work is becoming more complex.
5. Managers process large, open-ended workloads under tight time pressure - a manager's job is never done.
6. Managerial activities are relatively short in duration, varied and fragmented and often self-initiated.
7. CEOs prefer action and action driven activities and dislike mail and paperwork.
8. They prefer verbal communication through meetings and phone conversations.
9. They maintain relationships primarily with their subordinates and external parties and least with their superiors.
10. Their involvement in the execution of the work is limited although they initiate many of the decisions.

From Mintzberg view the leader role is just one of the ten managerial roles. So the management is more complex work than the leadership. As a manager you have to have a loat of intelligences, which we mentioned above by the leadership intelligences. Besides this you have to dispose with analytical intelligence, practical intelligence and creative intelligence. Because nowadays everything changing fast, and you have to suit this changes, because just in this way you can be succesful as a manager. There are a big problem, that less manager using emotional intelligence and for them is so hard to be a leader. There are a loat of training for them to using this in their work because with this you can be more effective and succesful as a manager.

4.7.7 Summary

It was hard to write this seminar work, because this is a big theme and hard to understand the differnces. I need to read a loat of materials in order to start this essay. In my opnion that it is so hard to separate these two kind of job (leader and manager). In nowadays as a manager you have a to be a leader also. As a leader you have to have a character, you have to encourage your employees. The leader and manager are connected in thir job. For me it is hard to define the separate the intelligences which need to be a good leader and which need to be a good manager. Because In my opnion you can be a good manager, when you are a good leader too. Aslo it is easier to stay a workplace as a manager because you now the methods, tolls. But when you are a leader and your followers are quit it is hard to find others, or when your project is over maybe you should find and other workplace. I agree with Warren G. Bennis, he state is the following:

„The manager accepts the status quo; the leader challenges it. „

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4.8 EMOTIONAL INTELLIGENCE

4.8.1 Defining Emotional Intelligence

Emotional intelligence (E.I.) is a term in the area of human skills originated by an American psychologist, Daniel Goleman, in 1995, and since then it has enjoyed some popularity between professional and popular literature in United States, becoming slowly recognized in all world.

According to Goleman, emotional intelligence is "the ability to understand and deal with emotions" (Schermerhorn e*t al*, 2005) and also "the ability to manage both oneself and one's relationship effectively" (Schermerhorn *et al*, 2004). Two different researchers, Mayer and Salovey, defined emotional intelligence as "the ability to perceive emotions, to access and generate emotions so as to assist thought, to understand emotions and emotional knowledge, and to reflectively regulate emotions so as to promote emotional and intellectual growth" (Wilson, 2004).

Nowadays, due to its importance on managing emotions both personally and in relationships with others, emotional intelligence is considered a significant competence and one of the keys of leadership and management (Schermerhorn *et al*, 2005). Someone who has the skill to manage and monitor his or her own emotions, to correctly gauge the emotional state of others and to influence opinions, it means that emotional intelligence is a combination of competencies. Furthermore, if someone can recognize his or her emotions, understand what the others tell, and realize how his or her emotions affect people around him or her – in few words, if someone get the perception of others – means that he or she manages relationships more effectively and also has a high level of emotional intelligence. In this way and consequently, people with high emotional intelligence are usually successful in most things they do.

In few words, to sum up, an effective and successful "emotional intelligence involves:

- knowing the appropriate feelings for the circumstances;
- experiencing the appropriate feelings for the circumstances;
- expressing feelings appropriate to the circumstances;
- making opportunities to express feelings that cannot be expressed fully in the original circumstances" (Cottrell, 2010).

4.8.2 Components of Emotional Intelligence

Daniel Goleman developed a framework of five dimensions that define emotional intelligence, and where each area has its own set of behavioural attributes. They are: self-awareness; self-regulation; motivation; empathy; and social skills.

- **Self-awareness**

Self-awareness is the keystone of emotional intelligence, which means that it is "the ability to recognize a feeling as it happens, to accurately perform self-assessments and have self-confidence" (Bliss, -).

People are usually self-aware when they have high emotional intelligence. Why? Because they understand their emotions, and for this reason, they do not let their feelings rule them. They are also confident, because they trust their intuition and do not let their emotions get out of control. (Mind Tools, -). Shortly, people know how their emotions and actions can affect the people around them.

It is very important being self-aware when someone is in a leadership or management position - it means that he or she must not only have a clear picture of his or her strengths and weakness, but also being humility.

There are some advices for those who want to improve their self-awareness. So, what to do get better? They can *keep a journal* – if they spend some few time daily writing down their thoughts, they

can move to a higher degree of self-awareness; or just *slow down* – if they experience strong emotions (like anger), they just have to slow down and examine why. "No matter what the situation, you can always choose how you react to it." (Mind Tools, -).

- **Self-regulation**

Self-regulation is the ability to control and "to keep disruptive emotions and impulses in check (self-control), maintain standards of honesty and integrity (trustworthiness), take responsibility for one's performance (conscientiousness), handle change (adaptability), and be comfortable with novel ideas and approaches (innovation)" (Bliss, -).

People who have self-regulation rarely allow become angry or jealous, because they do not allow them to become like this. They also are conscious, thinking before act, instead of make impulsive and/or careless decisions, it means they are thoughtfulness. Last but not the least, integrity and the ability to say no are two fundamentals characteristics to be self-regulation.

Consequently and according to Goleman, those - like leaders - who regulate themselves in the best effective way rarely attack others verbally, stereotype people, make rushed or emotional decisions, or compromise their values. They are flexible and commitment to personal accountability. In a few words, "self-regulation is all about staying in control" (Mind Tools, -).

Self-regulation has, as well, three keys advices to improve this important ability. First of all, the person or the leader must *know his or her values* – which are they, which are the most important, analysis them and understand his or her "code of ethics" – to make the right and best choices. Secondly, *hold him/herself accountable* – it is very important admit his or her mistakes and do not blame the others when something goes wrong. If he or she acts like this, quickly earns the respect of those who are around him or her. Finally, *practice being calm* – be aware with the way to act in a challenging situation, and be calm too (Mind Tools, -).

- **Motivation**

Motivation is "the emotional tendency guiding or facilitating the attainment of goals. It consists of achievement drive (meeting a standard of excellence), commitment (alignment of goals with the group or organization), initiative (acting on opportunities), and optimism (persistence reaching goals despite setbacks)" (Bliss, -).

How higher the emotional intelligence is, more motivated people is. So, they are highly productive, are keen on a challenge, are completely effective with quality in their work, and work toward their goals.

In this point, it is possible to improve motivation too. For this goal, people need to *re-examine why they are doing this* – they should sometimes remember why they want his or her job and make sure that their goals are fresh and stimulating; people need to *know where they stand*, determining how motivated they are to lead; and *be hopeful and find something good* – leaders who are usually optimistic, no matter if there is a bad or good situation, have well worth the effort. Even in a horrific situation, they might find a positive way to change it. (Mind Tools, -).

- **Empathy**

Empathy, perhaps the second-most important element of emotional intelligence, is "the understanding of others by being aware of their needs, perspectives, feelings, concerns, sensing the developmental needs of others" (Bliss, -).

It is extremely necessary identify and understand the wants, needs, and points of view of those who is around the leader or manager. If the leader or manager, who usually is opened-mind, has empathy, perceptibly he or she is good at recognizing the obvious or unobvious feelings of the others. As a result, and because he or she avoids stereotyping and judging, an empathetic leader or manager is usually excellent at managing relationships, listening, and relating to others. This fact is also due to the leader and manager can put him/herself in a situation of someone else. Moreover, he or she helps develop the people on their team, challenges others who are acting unfairly, gives constructive feedback, and also listens to those who need it (Mind Tools, -).

There are three significant steps to follow to get better in terms of being efficiently empathy. Firstly, *the leader or manager must put his/herself in someone else's position*; it is essential to look at other people's perspective and understand them. The second point is *the importance of the body language* – the leader or manager has to pay attention of this, because the body language tells what is the feeling about the situation. The step to improve empathy is *respond to feelings* – it is possible to

understand the feeling of the moment through the voice, for instance, the disappointment of someone in a situation. So, the leader or manage has to turn over the situation telling some good and motivated answer (Mind Tools, -).

- **Social skills**

Social skills "include the ability to induce desirable responses in others by using effective diplomacy to persuade (influence); listen openly and send convincing messages (communicate); inspire and guide groups and individuals (leadership); nurture instrumental relationships (building bonds); work with others toward a shared goal (collaboration, cooperation); and create group synergy in pursuing collective goals" (Bliss, -). We can say that people with strong social skills are typically good team players, a sign of high emotional intelligence. It is easy to talk and like them, this is the reason social skills are fundamental to emotional intelligence, so in this way they are also good at managing change and resolving conflicts diplomatically. They set the example with their own behaviour.

To improve the leadership building social skills, it is crucial *learn about conflict resolution*, it means that a leader or a manager must know how to resolve conflicts between their team members, customers, or vendors. He or she needs also to *improve his or her communication skills*, and *learn how to praise* others. If he or she know how to effectively praise others, he or she can inspire totality the loyalty of his or her team.

To sum up what have been said so far, there is a table below:

Table 4: Developing emotional behaviour.

Developing Emotional Behaviour	
Self-awareness	Ability to understand you own moods and emotions.
Self-regulation	Ability to think before acting and control disruptive impulses.
Motivation	Ability to work hard and persevere.
Empathy	Ability to understand emotions of others.
Social skill	Ability to gain rapport with others and build good relationships.

4.8.3 Unexpressed Feelings

Once in a while, there are times when it is not appropriate to express all what we feel, so such feelings go unexpressed for a long time. However, they do not disappear, but where do they go? There are few ways that unexpressed emotions make themselves felt, such as displacement, disproportion, and distorted thinking.

Displacement is when some "emotion is ignored and sneaks out when not expected, usually when someone experiences a similar emotion later" (Cottrell, 2010). It is important for managers and leaders control this kind of situations, because they could hurt the feelings of the employees or followers. His or her attitude could transmit incredibility afterwards.

Disproportion has a positive relation with displacement. It is supposed when an emotion is expressed to be proportionate to the situation. Nevertheless "disproportionate responses are noticeable when quite small things that do not seem to affect other people provoke a strong reaction" (Cottrell, 2010). The manager or the leader should be careful if some situation like this happens, because his or her attitude or speech and words may lead to tears, shouting, anger, violence, insults, or extreme distress (Cottrell, 2010).

Distorted thinking occurs when "unexpressed emotions can eat away at people, leading to distorted thinking such as, for instance, believing there is no solution or way out of a problem, or exaggerating

how bad things are" (Cottrell, 2010). To not lead to wrong comprehensions of employees or followers, and consequently lead to bad feelings or behaviour, managers and leaders should think firstly the better way to say something.

4.8.4 Management and Leadership

4.8.5 Defining Management/Manager and Leadership/Leader

First of all, it is important to understand that leadership and management is not the same. Sometimes people think in a wrong way when they mean that both leadership and management have the same meaning. In other words, whether leaders are different from managers or whether management is different from leadership.
Actually, leadership is different from management, and being a leader is not the same as being a manager.
In one hand, in the management area the role is to "promote stability or to enable the organization to run smoothly" (Schermerhorn, 2004). Schermerhorn thought further and says that being an effective manager is "one whose organizational unit, group, or team consistently achieves its goals while members remain capable, committed, and enthusiastic" (Schermerhorn, 2004). Researchers in Oxford University defined managers as "agents who can play important roles in the transmission of values and climate" (Boxall *et al*, 2010).
In the other hand, the leadership subject has a lot of different definitions, although they mean mostly the same point. Leadership is a "special case of interpersonal influence that gets an individual or group to do what the leader or manager wants done" (Schermerhorn, 2004). So, it main role is promoting adaptive or useful changes. In leadership, there is a relationship of power between the leader and his or her followers, where the leader is the centre of the group change and activity, through acts or behaviour. Furthermore, the leader has an important role and goal in helping group members achieve their goals and meet their needs. According to this idea, leaders and followers need to be understood in relation to each other and collectively (Northouse, 2004). Although this role, first the leader has to have a clear idea of what he or she wants to do professionally and personally, and secondly, characteristically he or she needs passion or enthusiasm, and a very good communicative skill. Supportive leadership does lead to more positive attitudinal responses, particularly on the part of subordinates. Satisfaction and commitment to the organization were related to more supportive leadership (Hall, 1999).
Both management and leadership are needed in an organization.
The next table above distinguish the differences between manager and leaders.

Table 5 – Manager vs. Leader

Manager	Leader
Administers	Innovates
Is a copy	Is an original
Maintains	Develops
Focuses on systems and structure	Focuses on people
Relies on control	Inspires trust
Has a short-range view	Has a long-range perspective
Asks how and when	Asks what and why
Has his eye on the bottom line	Has his eye on the horizon

Imitates	Originates
Accepts the status quo	Challenges it
Is the classic good soldier	Is his own person
Does things right	Does the right thing

4.8.6 The relationship between Managers and Leaders and Emotional Intelligence

Nowadays, in the new age of organizations, human skills, such as emotional intelligence, are crucial and the key for success, where exists lateral relations among all staff inside an organization.
According to Goleman, emotional intelligence of a leader contributes significantly to his or her effectiveness; he or she is better able to understand and manage his or her own emotions, and also may be more to engage in constructive thinking to build and maintain high levels of cooperation and trust (Wilsom, 2004).
Emotional intelligence in managers and leaders reflects a different way of being smart, and they have to consider their feelings. In this way, emotional intelligence is the decisive success factor in both careers and in all kinds of organizations. Playing with a high EI level is the particularly way to achieve a management and leadership effectiveness. For instances, according to some research made by Daniel Goleman, after compared star performers with average ones in senior leadership positions, nearly 90% of the difference in their profiles was attributable to emotional intelligence factors rather than cognitive abilities. So, this result means that "emotional intelligence plays an increasingly important role at the highest levels of the company, where differences in technical skills are significant. In other words, the higher the rank of a person considered being a star performer, the more emotional intelligence capabilities showed up as the reason for his or her effectiveness".
A manager and a leader have not only to have emotional intelligence to align personal and subordinate goals to accomplish company goals, but also must implement at all levels of an organization.
Cleverly, emotional intelligence distinguishes outstanding managers and leaders and can be linked to strong performance too.

4.8.7 Summary

Good relationships will improve, becoming more solid, more creative and more adventuresome.
Emotional intelligence is the answer to relating well to others and achieving managers and leaders' goals, as well as, an awareness of actions and feelings of managers and leaders – and how they affect those around employees and followers.
For Warren Bennis (1994), a leader uses the words integrity, self-knowledge, enthusiasm, vision, purpose, pursue goals, and honesty. These are the same words used to describe various facets of emotional intelligence.

A high emotional intelligence level manager or leader produces satisfaction among a group of people. Satisfaction leads productivity and productivity leads satisfaction. The result is the success and efficiency of the organization.

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5 MACRO ORGANIZATIONAL BEHAVIOR

5.1 DEFINITION OF MACRO ORGANIZATIONAL BEHAVIOR

Organizational behavior is a field of study about how endeavors understand, explain, predict and change human behavior as it occurs in an organization. Macro organizational behavior is one of the three parts of organizational behavior. It focuses on the behavior of the entire organization. There are four origins of macro organizational behavior: Sociology, Political science, Anthropology and Economics. Each origin contributes a lot to a part of the theories of the macro organizational behavior.

Sociology: theories of structure, social statues, institutional relations
Political Science: theories of power, conflict, bargaining and control
Anthropology: theories of symbolism, culture influence and comparative analysis
Economics: theories of competition and efficiency
Accordingly, we can roughly divide the macro organizational behavior theory into four parts.

- Power, Politics and Conflict
- Organizational Structure
- Organizational Design
- Organizational culture, change and development

We will explain every part of the macro organizational behavior but since it is a very broad topic, We will focus on part one and part three and organizational development in part four. We will not explain the theories left in detail.

5.2 POWER, POLITICS AND CONFLICT

5.2.1 THE DEFINITION OF POWER

The definition of power is not fixed. German sociologist, Max Weber defined power as "the probability that one actor within a social relationship will be in a position to carry out his own will despite resistance." Power refers to A's ability to influence B and to make B act as A expects B to do. And it is A’s ability, not A's right to do so; no right is implied in the concept of power.
Power is the capacity of team, person or an organization to influence others and the potential to influence others. It requires one person’s perception of dependence on other.

5.2.2 THE KEY OF POWER

The key of power is dependency. The more B depend on A, the more power A has over B. B will depends on A because of the importance, the scarcity and the non substitutability of A.

5.2.3 THE TYPE OF POWER IN ORGANIZATIONS

We can divide the type of power into two categories: formal power (positional power) and informal power (personal power). The formal power includes: reward power, coercive power, legitimate power, process power, information power and representative power. The informal power includes: expert power, rational persuasion, referent power.

Formal power (position power).

Reward power. The source of this power is the control over rewarding outcomes. The person who has this kind of power can decide what kind of reward to give you when you finish doing the things this person ask you to do. You will obey this person's order because you want to have a certain kind of reward.

Coercive power. The source of the kind power is the control over punishing outcomes. The person who has this power can punish you if you do not do the things the person asks you to do. People obey this person's order because they are afraid to be punished.

Legitimate power. The source of this kind of power is the occupation of legitimate position of authority. People will do what the person who has this power want because of this person's position in the organization. Maybe this position enables this person to reward you or punish you.

Process power. The person who has this kind of power can control the process of a task.

Information power: The source of this power is the control or access to some certain information, especially some confidential information. The person who has this kind of power knows something important and precious. People will listen to this person's words because they want to know the information.

Representative power. The person who has this kind of power represents a very important person. This person has the same power as the person who he or she represents. For example, the CEO is on a business trip, before he goes away, he asks his secretary to do take over his position for a period of time. Then the secretary has got the representative power. People in the company will obey what the secretary says during the CEO's absence.

Informal power (personal power).

Expert power. This kind of power derives from the possession of experience, knowledge and talent. People who are seen as an expert in a particular area can influence others in two ways. First, they can provide others with knowledge that enable or causes those individuals to change their attitudes or behavior. Second, experts can demand conformity to their wishes as the price for sharing their knowledge.

Rational persuasion. People earn this kind of power by persuade others with some rational reasons. For example, someone wants to buy some beautiful but useless things in a shop because of her impulse. Her friend who goes to the shop with her will tell her some reasons to prevent her of buying those things. Her friend may say:" I have bought such things before but I regretted so much after the purchase. They are beautiful but really not useful." At this time, this lady's friend gains this kind of power. The lady will finally do not buy these things.

Referent power (charismatic power). This kind of power comes from the attractiveness or charisma of somebody. People will obey what the person says because they admire the person. They will act and think like the person gradually. For example, people chase some movie stars or pop singers. Then the stars have this kind of power. People who like them will regard everything the stars say as truth.

5.2.4 THE REACTION TO POWER

How do employees respond when managers use the different kinds of power? According to Herbert Kelman, three distinctly different types of reactions are likely to occur as people respond to attempts to influence their behavior. They are compliance, identification, and internalization.

Compliance ensues when people conform to the wishes or directives of others so as to acquire favorable outcomes for themselves in return. They adopt new attitudes and behaviors not because they agree with the orders. They obey it just because they can get some rewards or avoid some punishments. As long as the rewards or punishment still exist, they will still obey the rules.

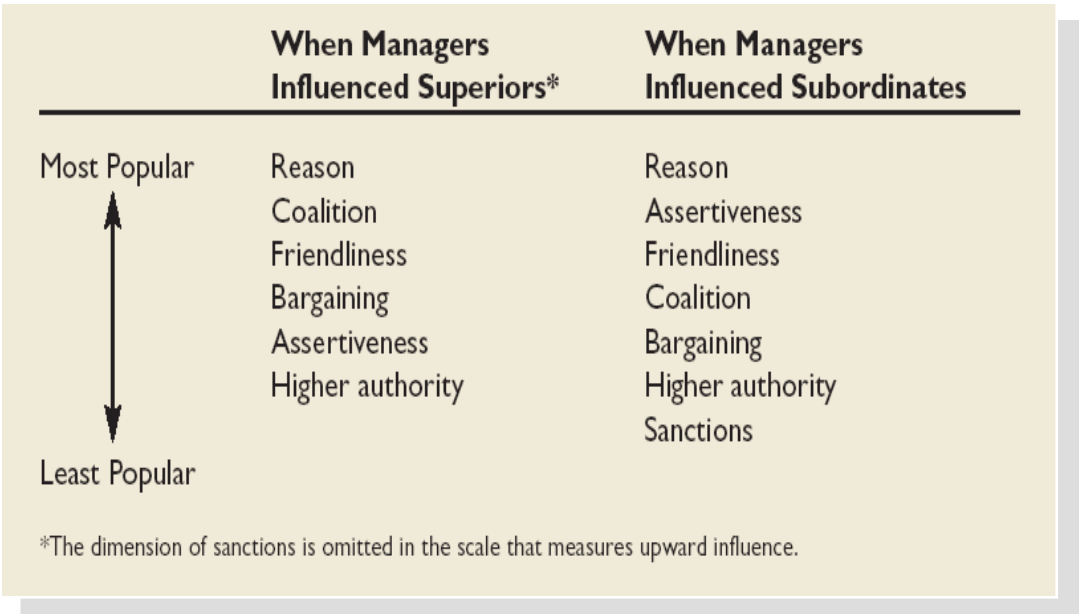
Identification occurs when people accept the direction or influence of others because they identify with the power holders and seek to maintain relationships with them—not because they value or even agree with what they have been asked to do. I am your friend, so I do as you ask me to do because I still want to be your friend.

Internalization: people may adopt others' attitudes and behaviors because this course of action satisfies their personal needs or because they find those attitudes and behaviors to be congruent with their own personal values. In either case, they accept the power holders' influence wholeheartedly.
Above all the types of power we list in figure 5.1, reward power, coercive power, process power, information power and representative power will lead to compliance, legitimate power, expert power, rational persuasion will lead to internalization, referent power will lead to identification.

5.2.5 SOME STRATEGIES TO USE POWER

There are many ways to use power, for example: reason, friendliness, coalition, bargaining, assertiveness, higher authority, sanctions.
The picture below is about the rate of the usage of the ways above.

Figure 5.1: Rate of the usage of power



5.3 POLITICS

5.3.1 THE DEFINITION OF POLITICS

Politics is a means of recognizing and, ultimately, reconciling competing interests within the organization. Competing interests can be reconciled by any number of means. For example, resorting to "rule by the manager" might be seen as an example of totalitarian rule. On the other hand, politics may be a means of creating a non-coercive, or a democratic work environment.

Political behavior is a general term about all the behaviors Individual, team or department without organizational identification has to influence the behavior of others to achieve their own goals.
Politics Involves Intentional acts of influence to enhance or protect the self interest of individuals or groups. Politics is a necessary function resulting from differences in the self interests of individuals. In essence, politics is power in action.

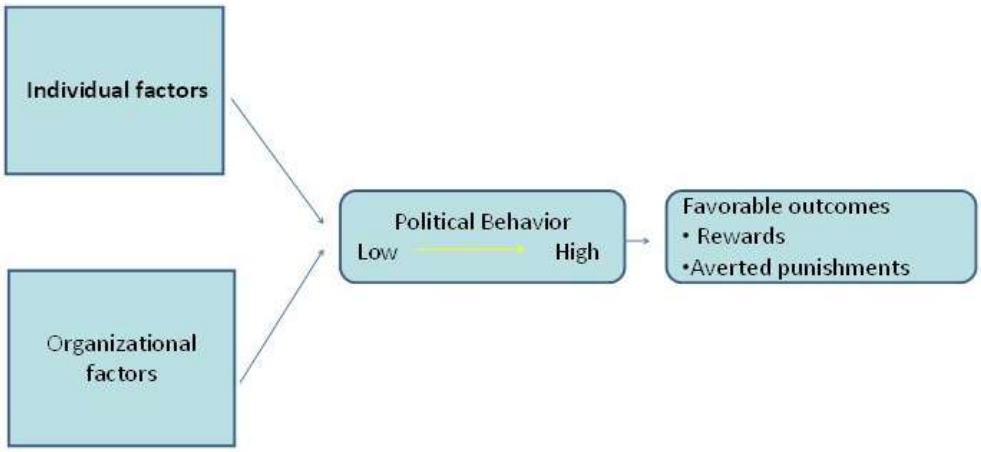
5.3.2 FACTORS THAT INFLUENCE POLITICS

We can divide the factors into individual factors and organizational factors.

Individual factors: Authoritarian (Machiavellianism), self-monitoring, High risk propensity, internal locus of control, high need for power, status, security or autonomy.

Organizational factors: Competition, level in organization, low trust, role ambiguity and counter norms, unclear evaluation systems, democratic decision making.

Figure.5.2: Factor influencing political behavior



Politicking is more prevalent in larger organizations than in smaller ones. The presence of a greater number of people is more likely to hide the behaviors of any one person, enabling him or her to engage in political behaviors with less fear of discovery. Politics is also more common among middle and upper managers, because the power required to engage in politics is usually concentrated among managers at these levels. In heterogeneous organizations, members share few interests and values and therefore see things very differently. Under such circumstances, political processes are likely to emerge as members compete to decide whose interests will be satisfied and whose will not. Finally, important decisions stimulate more politics than unimportant decisions do simply because less important issues attract less interest and attention.

5.3.3 POLITICAL TACTICS

When personal characteristics and surrounding conditions favor them, a variety of political tactics may appear. Each tactic is intended to increase the power of one person or group relative to others.

Developing a base of support. **Form coalitions or political affiliations.** This is an important way for people to increase their power and pursue political gain beyond their individual grasp. By banding together, people can require for more rewards than an individual can do and when there is certain punishment, people can share the punishment and as a result, the punishment will be much less. They can also combine their expertise, legitimacy, information and many other resources. Coalitions or political affiliations are also very popularly used by the organizations to gain the such power to achieve the goals which a single organization cannot acquire. In the U.S. Congress, for instance, representatives from industrial regions will vote for bills providing farm subsidies with the understanding that farm-state representatives will reciprocate by supporting bills that secure industrial assistance grants.

Association with influential people. People will sometimes cooperate with their opponents in order to gain their own interests. Making opponents part of the team often silences their objections. Colleges and universities often use this tactic during periods of campus unrest, inviting student protesters to join university representatives on administrative committees.

Creating a favorable image. Impression management: In sociology and social psychology, impression management is a goal-directed conscious or unconscious process in which people attempt to influence the perceptions of other people about a person, object or event; they do so by regulating and controlling information in social interaction (Piwinger & Ebert 2001, p. 1–2). It is usually used synonymously with self-presentation, in which a person tries to influence the perception of their image. The notion of impression management also refers to practices in professional communication and public relations, where the term is used to describe the process of formation of a company's or organization's public image. Impression management involves behaving in ways intended to build a positive image.
Self-presentation: There are two main motives that govern self-presentation:

a. instrumental. we want to influence others and gain rewards (Schlenker 1980, p. 92). There are three instrumental goals.
Ingratiation. When we try to be happy and highlight our better characteristics so that others will like us (Schlenker 1980, pp. 169).

Intimidation. Which is aggressively showing anger to get others to hear and obey us?
Self-handicapping ourselves. When we try to be helpless and sad so people will assist us and feel bad for us.

b. expressive. We construct an image of ourselves to claim personal identity, and present ourselves in a manner that is consistent with that image. If we feel like this is restricted, we exhibit reactance. We try to assert our freedom against those who would seek to curtail our self-presentation expressiveness. A classic example is the idea of the "preacher's daughter", whose suppressed personal identity and emotions cause an eventual backlash at her family and community.

5.3.4 CONTROL CRITICAL RESOURCES

Controlling the supply of a critical resource gives people power over those whose success or survival depends on having that resource. As a political tool, power of this sort can be used to ensure that personal interests are satisfied.

Using information as a political tool. Political players often attempt to control access to the people who are sources of important information or expertise. Engineers who are working on new product development are often sequestered from other employees; cost accountants may be separated from other members of a company's accounting department.

Negative Politics. Attacking or blaming others, or making them scapegoats for failures. For example, some secretaries will say some bad words about some staff who the secretaries individually do not like to the boss. Or some organizations will display some bad news on the Internet to say the products of another company have low quality.

Denigrate or belittle others' accomplishments. When a certain organization has achieved something, for example donate some money to some poor area, then another organization may say it is not a big deal because XX organization has donated much more.

Creating obligations: Some organizations will set some special obligations for other organizations if they want to enter a certain area.
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5.3.5 INFLUENCE OF POLITICAL BEHAVIOR IN ORGANIZATIONS

Positive influence:

- Overcoming personnel inadequacies
- Coping with change
- Substituting for formal authority
- Increased turnover

Negative influence:

- Decreased job satisfaction
- Increased anxiety and stress
- Reduced performance

5.3.5 HOW TO DEAL WITH SOME NEGATIVE POLITICS

Set an Example. Organizational leaders who do not tolerate deceit and dirty tricks and who refuse to engage in negative politics themselves should make it clear that such political tactics are inappropriate. Subordinates are thus discouraged from engaging in destructive political activities.

Communicate Openly. Sharing all relevant information with co-workers and colleagues can thwart the effects of destructive politics. Managers who communicate openly with their peers, superiors, and subordinates eliminate the political advantage of withholding information or blocking access to important people. Information that everyone already knows cannot be hoarded or hidden.
In addition, open communication ensures that everyone understands and accepts resource allocations. Such understanding eliminates the attractiveness of political maneuvers intended to bias distribution procedures.

Reduce Uncertainty. Clarifying goals, tasks, and responsibilities makes it easier to assess people's behaviors and brings politics out into the open. Expanding decision-making processes by consulting with subordinates or involving them in participatory decision-making processes helps make the resulting decisions understandable and discourages undercover politicking.

Manage Informal Coalitions and Cliques
Influencing the norms and beliefs that steer group behaviors can ensure that employees continue to serve organizational interests. When cliques resist less severe techniques, job reassignment becomes a viable option. Group politicking is thereby abolished by eliminating the group.

Confront Political Game Players
When people engage in politics despite initial attempts to discourage them from this course of action, a private meeting between superior and subordinate may be enough to curb the subordinate's political pursuits. Punishments such as a public reprimand or a period of layoff without pay ensure that the costs of politicking outweigh its benefits. If this approach does not work, managers who must cope with damaging politics may have no choice except to dismiss political game players.

Anticipate the Emergence of Damaging Politics
In any effort intended to control political behavior, awareness and anticipation are critical. If managers are aware that circumstances are conducive to politicking, they can try to prevent the emergence of politics. Detection of any of the personal characteristics or favorable conditions discussed earlier should be interpreted as a signal indicating the need for management intervention before destructive politics crop up.

5.4 CONFLICT

5.4.1 THE DEFINITION OF CONFLICT

Conflict is actual or perceived opposition of needs, values and interests. A conflict can be internal (within oneself) or external (between two or more individuals). Conflict as a concept can help explain many aspects of social life such as social disagreement, conflicts of interests, and fights between individuals, groups, or organizations. In political terms, "conflict" can refer to wars, revolutions or other struggles, which may involve the use of force as in the term armed conflict.
Conflict is a process that begins when one party perceives that another party has negatively affected, or is about to negatively affect, something that the first party cares about. (This definition of conflict is taken from the article, "Conflict and Negotiation Processes in Organizations," by K.W. Thomas in the Handbook of Industrial and Organizational Psychology.)

5.4.2 TYPES OF CONFLICT

Goal Conflict. Conflict arises when an individual selects or is assigned goals that are incompatible with each other, it refer to the extent to which an individual's goal or group's goals are at odds with one other.

Affective Conflict. It can be explained as the incompatible feeling and emotions within the individual or between individuals. Interpersonal conflicts as well as antagonism between groups are examples of affective conflict.

Cognitive Conflict. It occurs when thoughts and ideas within an individual or between individuals or groups are incompatible.

Procedural conflict: Procedural conflict exists when group members disagree about the procedure to be followed in accomplishing the task or goal.

Other conflict. community conflict, diplomatic conflict, economic conflict, emotional conflict, environmental resources conflict, external conflict, group conflict, international conflict, intrastate conflict (for example: civil wars, election campaigns), intrapersonal conflict (though this usually just gets delegated out to psychology), organizational conflict, intra-societal conflict, military conflict, religious-based conflict (for example: Center For Reduction of Religious-Based Conflict), workplace conflict, data conflict, relationship conflict, racial conflict and so on.

5.4.3 THE CAUSES OF CONFLICT

Structural Factors:

- Authority Relationships (The boss and employees beneath them)
- Common Resources (Sharing the same secretary)
- Goal Differences (One person wants production to rise and others want communication to rise)
- Interdependence (A company as a whole can't operate without other departments)
- Jurisdictional Ambiguities (Who can discipline whom)
- Specialization (The experts in fields)
- Status inconsistencies
- Need of land, water and food (whole country)

Personal Factors:

- Communication barriers
- Conflict management style
- Cultural differences
- Emotions
- Perception
- Personalities
- Skills and abilities
- Values and Ethics

5.4.4 THE PROCESS OF CONFLICT

There are four Stages in the conflict process. They are potential opposition; cognition and personalization; behavior; outcomes.

Stage 1: Potential Opposition
Factors are present that can lead to conflict. Maybe the conflict comes from communication or comes from the structure or comes from personal variables.

Stage 2: Cognition and Personalization
The two or more sides in the conflict aware of the conditions in stage 1. The conditions cause some sort of frustration. The two or more sides begin to feel uncomfortable.

Stage 3: Behavior
An action is done that frustrates another person’s interests. The conflict becomes known to the differing parties and to others and then people try to find a way to solve the conflict.

Stage 4: Outcomes
There are also two kinds of outcomes. One is functional outcomes and the other is dysfunctional outcomes.

Functional outcomes – "Conflict is constructive when it improves the quality of decisions, stimulates or motivate creativity and innovation, encourages interest and curiosity among group members, provides medium through which problems can be aired and tensions released, and fosters an environment of self-evaluation and change." (Robbins).

Dysfunctional outcomes are seen when the conflict has hurt the performance of the team in some way.

5.4.5 THE ACTION TO CONFLICT

Five basic ways of addressing conflict were identified by Thomas and Kilman in 1976:
Accommodation – surrender one's own needs and wishes to accommodate the other party. One person allows the opposing person to have their way. This could be used when a conflict is more important to another person, when one person decides they were wrong, or to preserve future relations.

Avoidance – avoid or postpone conflict by ignoring it, changing the subject, etc. Avoidance can be useful as a temporary measure to buy time or as an expedient means of dealing with very minor, non-recurring conflicts. This could be used on situations seen as not very important or when disruption could be a big problem. In more severe cases, conflict avoidance can involve severing a relationship or leaving a group.

Collaboration – work together to find a mutually beneficial solution. While the Thomas Kilman grid views collaboration as the only win-win solution to conflict, collaboration can also be time-intensive and inappropriate when there is not enough trust, respect or communication among participants for collaboration to occur.

Compromise – find a middle ground in which each party is partially satisfied. People bargain to get pieces of what they want by giving up pieces that aren't as important to them.
Competition – assert one's viewpoint at the potential expense of another. It can be useful when achieving one's objectives outweighs one's concern for the relationship. These are win-lose situations. One person's option is chosen at the expense of another's.

5.4.6 METHODS FOR RESOLVING CONFLICT

We can find many ways to resolve some conflict, below are seven methods.
Passive conflict resolution: This means just ignore the conflict. This is a very passive way and none of the sides of conflict actually do anything about the conflict. But it is still a way. It is the most common method. The leader may not want to get involved or may feel that the workers are better off working the problem out on their own.
Win-win method: This method can satisfy all sides' needs. "One form of this is called balancing demands. This happens when the manager determines what each person in the conflict wants as an outcome and looks for solutions that can satisfy the needs of both parties." (Foster)
Structured problem solving: This method consists of three steps. First gather data about the problem and then have a third party observer analyze the data and make an argument for one side. The last step is mediation. Conflicts can be resolved in a fact-based manner by gathering data regarding the problem and having the data analyzed by a disinterested observer to add weight to the claims of one of the conflicting parties." (Foster) This method is similar to using a mediator. A neutral mediator can act as a good catalyst for coming to an agreeable solution. They can try to understand and explain both points of view and help the conflicting sides understand each others point of view.

Confronting conflict: This means listen the problem and help the parties resolve it. At times it is best to confront the conflict and use active listening techniques to help the subordinates resolve conflicts. This provides a means for coming to a solution of the conflict." (Foster)
Choosing a winner: Choose the winner, then deal with the negative feelings between the two parties.
Selecting a better alternative: Choose an idea neither of the parties considered.
Preventing Conflict: "Skilled leaders use different techniques to create an environment that is relatively free of conflict" These approaches are more strategic in nature and involve organizational design fundamentals. By carefully defining goals, rewards, communication systems, coordination, and the nature of competition in a firm, conflict can be reduced or eliminated.

5.4.7 DIFFERENT VIEWS ABOUT CONFLICT

Conflict can cause unset feelings and maybe lead to a fight. So can we say that all conflicts are bad? There are three different views about conflict.

Traditional View: Conflict is bad! It is the same as violence, destruction, irrationality. This view considers that all conflict is bad and is detrimental (problem oriented) to a teams effectiveness. This view really doesn't coincide (match/agree) well in business situations where innovation and change are common features.

In Robert Bacal's, "Organizational Conflict - The Good, The Bad & The Ugly," he says "To the "traditional" organizational thinker, conflict implies that the organization is not designed or structured correctly or adequately. Common remedies would be to further elaborate job descriptions, authorities and responsibilities, increase the use of central power (discipline), separate conflicting members, etc."
Human Relations View: It's going to happen, so cope with it! This view argues that when people work together in business, conflict is inevitable. It is a mix between the traditional view and the integrationist view.

Interactionist View: Functional conflict is good for business and even should be encouraged. We should tellr the Functional conflict from the dysfunctional conflict. This view argues that conflict is essential to innovation and continually improving in business. Without it, people can become complacent in what they do. Dysfunctional conflicts are the conflicts that disrupt a groups performance. Functional conflicts are the conflicts that support and improve the performance of a group. It is sometimes hard to differentiate between dysfunctional and functional conflict because similar conflicts could have different outcomes in different groups. The only thing that matters in differentiating between the two is if it improves or harms a group's performance.

Although all of these views are currently used in some businesses, the interactionist view is seen as the most prominent view in current businesses.

So not all the conflicts are bad. Sometimes the conflict can make the organization develop more quickly. It depends on how we react to the conflicts.

5.5 ORGANIZATIONAL STRUCTURE

Organizational structure is a means to achieve the organization's aim. It also refers to how authority and responsibility for decision making are distributed in the entity. There are six basic elements of organizational structure: specialization of work, departmentalization, standardization, span of control, Centralization and decentralization, chain of command. There are many types of organizational structures, the most famous ones are functional structure, divisional structure and matrix structure. These structures have their own strength and weakness; we need to consider everything such as the size of the organization, the leadership of the organization and the strategy of the organization when we choose the structure.

5.6 ORGANIZATIONAL DESIGN

5.6.1 THE DEFINITION OF ORGANIZATIONAL DESIGN

Organizational design is a process for improving the probability that an organization will be successful.

Organization design can be defined narrowly, as the process of reshaping organization structure and roles, or it can more effectively be defined as the alignment of structure, process, rewards, metrics and talent with the strategy of the business.

Organization design may involve strategic decisions, but is properly viewed as a path to effective strategy execution. The design process nearly always entails making trade-offs of one set of structural benefits against another.

Organization design can be considered a subset of the broader field of organization effectiveness and organization development, both of which may entail more behaviorally focused solutions to effectiveness, such as leadership behaviors, team effectiveness and the like. Many organizational experts argue for an integrated approach to these disciplines, including effective talent management practices.

5.6.2 THE PROCESS OF ORGANIZATIONAL DESIGN

The organization design process is often defined in phases:
Phase one: the definition of a business case (including a clear picture of strategy and design objectives). This step is typically followed by "strategic grouping" decisions, which will define the fundamental architecture of the organization - essentially deciding which major roles will report at the top of the organization. The classic options for strategic grouping are to organize by: Behavior, Function, Product or category, Customer or market, Geography and Matrix.
Phase two: operational design of processes, roles, measures and reward systems.
Phase three: staffing and other implementation tasks.

5.6.3 WHAT WE NEED TO PAY ATTENTION TO WHEN WE CARRY OUT ORGANIZATIONAL DESIGN

Technology. Organizational design must be adjusted to fit technological opportunities and requirements.

According to Thomson's view of technology, technologies classified according to the degree of specification and degree of interdependence of work units. We have many kinds of technologies.
Operations technology is the combination of resources, knowledge, and techniques that creates a product or service output.

Information technology is the combination of machines, artifacts, procedures, and systems used to gather, store, analyze, and disseminate information for translating it into knowledge.
Intensive technology refers to the uncertainty as to how to produce desired outcomes.
Mediating technology is about the links parties that want to become interdependent.
Long-linked technology is about the way to produce desired outcomes is known and broken down into a number of sequential steps.

The proper matching of structure and technology is critical to organizational success.

Environment. The design of the organization must co-evolve with the environment. Understanding the environment is important because an organization is an open system. We can divide the environment into general environment and specific environment.

General environment is the set of cultural, economic, legal-political, and educational conditions found in the areas in which the organization operates.

Specific environment is about the owners, suppliers, distributors, government agencies, and competitors with which an organization must interact to grow and survive.

We also need to know the concept of **environment complexity**. Environmental complexity is the magnitude of problems and opportunities in the organization's environment, as reflected in: Degree of richness; Degree of interdependence; Degree of uncertainty. More complex environments provide more problems and opportunities.

Environmental richness. The environment is richer when the economy is growing and individuals are improving their education. A rich environment has more opportunities and dynamism. The opposite of richness is decline.

Environmental interdependence: Linkage between environmental independence and organization design may be subtle and indirect.

Environmental uncertainty: Uncertainty and volatility can be particularly damaging to large bureaucracies. A more organic form is the appropriate organizational design response to uncertainty and volatility.

In a complex global economy, firms must learn to co-evolve by altering their environment.
Two important ways of co-evolution are management of networks and development of alliances.

5.7 ORGANIZATIONAL CULTURE, CHANGE AND ORGANIZATION DEVELOPMENT

5.7.1 ORGANIZATIONAL CULTURE

The concept of organizational culture
We can define organizational culture in two ways. One is in a narrow way and the other in a general way. As a narrow definition, organizational culture is common system of values of all the organization members. So a certain organization can be unique and differ from other organizations. The General definition of organizational culture refers to the shared values, the sum of corporate ideals and goals, the basic code of conduct, systems and management practices, the external image of the performance of the enterprises in the process of entrepreneurship and development.

Three level s of organizational culture
The three levels of organizational culture is the core value, the rules and the external image. The relationship between these three levels is shown in the picture below:

How the organizational culture generate and maintain
Generate. The organizational culture is gradually come into being in the way of founding and developing the organization. It is the most suitable way for the organization to survive and to develop. It is also influenced a lot by the organization founder. The personality of the organization founder will influence the culture of the whole organization.

Maintain. The organizational culture maintains through:

- The behavior of managers
- Events and crisis response
- Training
- Assessment and incentive system
- Recruitment, promotion, dismissal
- Rituals and ceremonies
- Organization story

Positive and negative effects of organizational culture
Positive. It provides members with a sense of belonging and increase their organization's identity. It enhances the social stability of the system.
It guides and shapes the attitudes and behaviors of employees.

Negative: It is an obstacle of revolution of the organization.
It is an obstacle of the diversity if the organization.
It is an obstacle of the merger and acquisition of the organization.

5.8 ORGANIZATIONAL CHANGE

5.8.1 THE DEFINITION OF ORGANIZATIONAL CHANGE

Organizational change is the term used to describe the transformation process that a company goes through in response to a strategic reorientation, restructure, change in management, merger or acquisition or the development of new goals and objectives for the company. The realignment of

resources and the redeployment of capital can bring many challenges during the transformation process and organizational change management seeks to address this by adopting best practice standards to assist with the integration of new company vision.

5.8.2 TYPES OF ORGANIZATIONAL CHANGE

Transformational change. This change results in a major overhaul of the organization or its component systems. It is described as radical change or frame-breaking change. Organizations experiencing transformational change undergo a significant shift in basic characteristic features.

Incremental change or frame-bending change. Part of the organization's natural evolution in building on the existing ways of operating to enhance or extend them in new directions. This change includes the introduction of new products, new technologies, and new systems and processes. Continuous improvement through incremental change is an important asset.

Unplanned change Occurs spontaneously and without a change agent's direction, and such change may be disruptive. Appropriate goal is to act quickly to minimize the negative consequences and maximize any possible benefits.

Planned change. This change is the result of specific efforts by a change agent.

5.8.3 CHANGE AGENTS

Change agents are individuals and groups who take responsibility for changing the existing behavior patterns of another person or social system. Success of change efforts depends in part on change agents. Being an effective change agent means being a great change leader.

5.8.4 ORGANIZATIONAL FORCES FOR CHANGE

There are many forces for an organizational change. I only list some of them below:

- Organization-environment relationships
- Organizational life cycle
- Political nature of organizations
- The development of technology

5.8.5 RESISTANCE TO CHANGE

When some change occurs, there will surely some resistance come following the change.

The definition of resistance of change
Resistance to change means any attitude or behavior that indicates unwillingness to make or support a desired change. Resistance to change is something that must be overcome for change to be successful and it is also the feedback that can be used to facilitate achieving change objectives.

The reason people resist change

- Fear of the unknown
- Lack of good information
- Fear for loss of security

- Fear for loss of power
- Bad timing
- Habit.

The types of resistance

Resistance to the change itself. People may reject a change because they believe it is not worth their time, effort, or attention. To deal with resistance to the change itself, all those affected should know how it satisfies the following criteria: Benefit; Compatibility; Complexity;

Resistance to the change strategy. The following change strategies will most likely lead to resistance.

Force-coercion strategy. Resistance among individuals who resent management by "command" or the use of threatened punishment.
Rational persuasion strategy: Resistance when the data are suspect or the expertise of advocates is unclear.
Shared-power strategy: Resistance if it appears manipulative and insincere.

Resistance to the change agent. Resistance to the change agent is directed at the person implementing the change and often involves personality and other differences.

How to deal with resistance:

- Education and communication
- Participation and support
- Facilitation and support
- Negotiation and agreement
- Manipulation and cooptation
- Explicit and implicit coercion

5.9 ORGANIZATION DEVELOPMENT

5.9.1 THE DEFINITION OF ORGANIZATION DEVELOPMENT

Organization development (OD) is a deliberately planned effort to increase an organization's relevance and viability. OD is the framework for a change process designed to lead to desirable positive impact to all stakeholders and the environment. OD can design interventions with application of several multidisciplinary methods and research besides traditional OD approaches.
OD is a life-long, built-in mechanism to improve immunity of organization's health to renew itself inclusive principles, often with the assistance of a change agent or catalyst and the use of enabling appropriate theories and techniques from applied behavioral sciences, anthropology, sociology, and phenomenology.

Organization development is an ongoing, systematic process of implementing effective organizational change. Organization development is known as both a field of applied behavioral science focused on understanding and managing organizational change and as a field of scientific study and inquiry. It is interdisciplinary in nature and draws on sociology, psychology, and theories of motivation, learning, and personality. Organization development is a growing field that is responsive to many new approaches including Positive Adult Development.

5.9.2 UNDERLYING ASSUMPTIONS OF ORGANIZATIONAL DEVELOPMENT

Individual level. Respect for people and their capabilities.
Group level. Belief that groups can be good for both people and organizations.
Organizational level: Respect for the complexity of an organization as a system of interdependent parts.

5.9.3 ORGANIZATION DEVELOPMENT GOALS

We can divide OD goals into outcome goals and process goals.
Outcome goals: This kind of goal mainly deals with issues of external adaptation.
Process goals: This kind of goal mainly deals with issues of internal integration in pursuing outcome and process goals, od helps by creating an open problem solving climate and supplementing formal authority with knowledge and competence. It also helps with the moving decision making where relevant information is available. It still helps with building trust and maximizing collaboration. OD can increase the sense of organizational ownership and allow people to exercise self-direction and self-control.

5.9.4 ACTION RESEARCH

Action research is the process of systematically collecting data on an organization, feeding it back to the members for action planning, and evaluating results by collecting and reflecting on more data after the planned actions have been taken.

5.9.5 ORGANIZATIONAL DEVELOPMENT INTERVENTIONS

We can divide OD interventions into three categories: organization-wide OD intervention, group OD intervention and individual OD intervention.

Organization-wide OD interventions:

Survey feedback. Collection and feedback of data to organization members for action planning purposes.
Confrontation meetings: Activities for quickly determining how an organization can be improved and taking initial actions for betterment.
Structural redesign. Realigning the organization's structure or major subsystems.
Collateral organization. Using representative organizational members in periodic small group problem-solving sessions.
Group and intergroup OD interventions:
Team building. Activities to improve the functioning of a group.
Process consultation. Activities to improve the functioning of key group processes.
Intergroup team building Activities to improve the functioning or two or more groups.
Individual OD interventions:
Role negotiation. Clarifying expectations in working relationships.
Job redesign. Creating long-term congruence between individual goals and organizational career opportunities.
Career planning. Structured opportunities for individuals to work with managers or staff experts on career issues.

5.10 CONCLUSION

Macro organizational behavior is one of the three parts of organizational behavior. It focuses on the behavior of the entire organization. Accordingly, we can roughly divide the macro organizational behavior theory into four parts.

- Part One: Power, Politics and Conflict
- Part Two: Organizational Structure
- Part Three: Organizational Design
- Part Four: Organizational culture, change and development

Every part of macro organizational behavior has many areas to study and analyze. About Par 1, we should know the definition of power, politics and conflict. Also we need to know the types of power and how we gain power and how to use power. We need to know not all the political behavior are bad and we should remember the ways to manage destructive politics. There are many kinds of conflict and conflict can also benefit the organization. About Part 2, we need to know the type of structure, the elements of structure and how to choose a proper structure. About Part 3, we should know how to design the organization. About Part 4, we get some knowledge about organizational culture and its influence. We also know how the organization changes and develops. There are some methods and principles and interventions about organizational development.

Review questions

1. What is macro organizational behavior? What are its origins?
2. Name some types of power and tell their features. What response will the people give when they face the different kinds of power?
3. What is political behavior? What are the factors leading to political behavior? Name some tactics

of politics. Are all the political behaviors bad?

4. Name some kind of conflicts. Are conflicts good or bad? How can we solve the conflicts?
5. What is organizational structure? What type of organizational structure do you know?
6. What is organizational design? When we design an organization, what should we pay attention to? Name some technologies. What is environment complexity? What is included in the concept of environment complexity?
7. What is organizational culture? How it influence the organization? How many levels does organizational culture has and what is their relationship? What is the function of organizational culture? How does organizational culture generate and maintain?
8. What is the definition of organizational change? Why do people resist the organizational change and how to solve it?
9. What is the organizational development? What is the interventions of organizational development?

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5.11 ORGANIZATIONAL CULTURE

5.11.1 INTRODUCTION

Culture is a term that is used regularly in workplace discussions. It is taken for granted that we understand what it means. The purpose of this paper is to identify and discuss some of the significant issues relating to the management of an organization's culture. As organizational cultures are born within the context of broader cultural contexts such as national or ethic groupings, the paper will commence by defining 'culture' in the wider social context. The paper will then discuss the issue of the dimensions and determinant factors of the culture. Finally, the paper identifies the relationship between globalization and culture and some implications for the management of culture management and change.

The term "culture", as applied to human societies or groups, has its origins in the discipline of anthropology (Smircich, 1983; Sackman, 1991; Hofstede, 1991). Smircich (1983) claims that "the culture concept has been borrowed from anthropology, where there is no consensus on its meaning", which makes it unsurprising that, as Schein, and Baron and Walters, complain: "Unfortunately, most of the writers on organizational culture use different definitions, different methods of determining what they mean by culture, and different standards for evaluating how culture affects organizations" (Schein, 1985). "Even the culture theorists cannot agree on the nature of corporate culture and a brief glance at the literature reveals that there appear to be as many definitions of culture as there are writers on the subject" (Baron and Walters, 1994).

It can be seen that although there are widely-differing definitions of the term, culture is commonly seen to have some essential characteristics. These include shared values, attitudes and beliefs within the group; distinctive customs and practices; shared assumptions; mutually understood and accepted norms; and certain mutual expectations.

I would like to quote the words that John Burgoyne (Mike Pedler, John Burgoyne, 1996) said in 1996: "Culture is dynamic, dense, complicated. It is a fabric woven from countless implicit and explicit events, issues, and symbols. Trying to define or comprise culture often seems an exercise akin to quantum physics. Yet culture is observable and strong at its core. And it is present in every organization regardless of whether it is acknowledged or fully understood".

5.11.2 DEFINITION OF ORGANIZATIONAL CULTURE

Before going on to a detailed analysis of the managerial culture, it is necessary to define the concept to treat. Nevertheless due to the dimension of the concept as well as its ambiences of application, it is not hit to give the general and only definition. Hence, is needed to do a compilation of the principal authors about this topic.

The concept of culture began to make an impact on organizational thinking in the late 1970s and early 1980. However, there is an important evolution of multicultural societies and an encouragement of diversity within society that makes growth a new concept of culture. Organizational culture is an idea in the field of Organizational studies and management which describes the psychology, attitudes, experiences, beliefs and values (personal and cultural values) of an organization.

Some writers suggest that the concept has no real value because the variety of meaning is so diverse and largely contradictory, that is impossible for it offer any value as a research idea (Kraunt,1975).

A pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration that has worked well enough to be considered valid and therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems. (Schein, 373-374).

Gareth Morgan describes culture as "an active living phenomenon through which people jointly creates and recreates the worlds in which they live." For Morgan, the three basic questions for cultural analysts are:

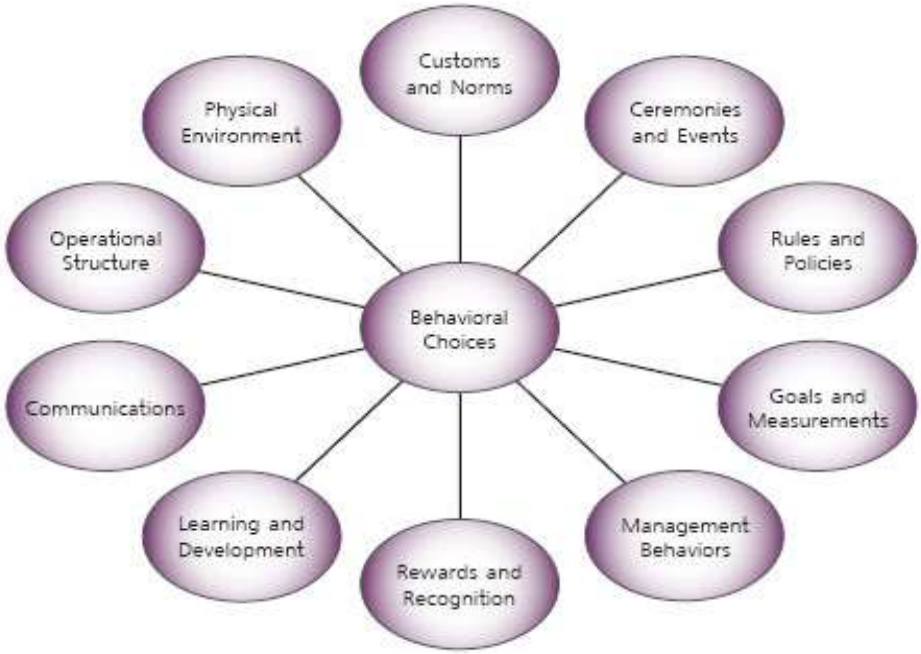
- What are the shared frames of reference that make organization possible?
- Where do they come from?
- How are they created, communicated, and sustained?

Another definition about culture was made by Charles W. L. Hill. It has been defined as "the specific collection of values and norms that are shared by people and groups in an organization and that control the way they interact with each other and with stakeholders outside the organization." (Charles W. L. Hill, and Gareth R. Jones, 2001. This definition continues to explain organizational values also known as "beliefs and ideas about what kinds of goals members of an organization should pursue and ideas about the appropriate kinds or standards of behavior organizational members should use to achieve these goals".

It is possible to identify three levels of analysis from the literature on culture. Taking each level in turn:
Perceived culture: this reflects the most apparent level of cultural analysis. It would incorporate the rituals. Stories and ceremonies that identify the group in action.
Common values and so on: the second level of analysis attempts to get behind which is observable and identify the **factors that determine the perceive culture.**
Underlying assumptions: Behind the common values are the underlying assumptions that individuals hold about the world and how it functions.

Central to the culture definition is the idea that culture must be learned and shared (Titiev, 1959). Organizational culture maintains influence over its members through the development of values acceptable to the organization. As individuals enter and become participating members of an organization, they are exposed to beliefs and values that begin the initial development of cultural internalization. Pettigrew (1979) was the first to suggest the similarities between organizational culture and societal culture. It is important not to assume that the rules and behaviors we understand and take for granted in our everyday lives exist within the confines of an organization.
Organizational culture may have been forged by the founder; it may emerge over time as the organization faces challenges and obstacles; or it may be created deliberately by management (Moss Kanter, 1999). It comprises the attitudes, experiences, beliefs, and values of the organization, acquired through social learning, that control the way individuals and groups in the organization interact with one another and with parties outside it. These are determined by sundry factors that find expression in organizational structure, making structure itself an important culture-bearing mechanism. Figure 5.11.1 delineates ten components that, together, influence organizational culture. Identifying discernible elements of culture allows organizations to determine features that
can be managed to help implement and sustain constructive organizational change.

FIGURE 5.3: Component of organizational culture



Source: Peter Senge. 1990. *The Fifth Discipline: The Art and Practice of the Learning Organization*. New York: Currency Double Day.

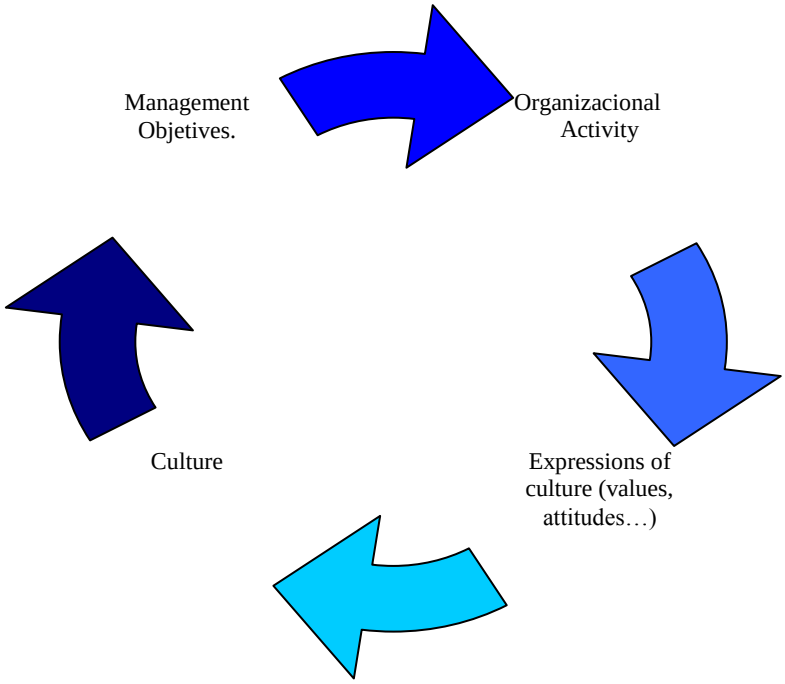
Any company both of private and public ambience has to be capable of controlling the majority of these factors, and analyzing them thoroughly, to obtain this way a better off functioning of the organization.

5.11.3 THE DIMENSIONS OF CULTURE

Thus far we have defined and described culture as a structural concept. In this part of the work we want to describe what culture consists of (Schein, 1985), identified six dimensions that, he suggests, reflect the composition of culture within an organizational context:
Behavioural regularities: this reflects observable patterns of behavior.
Dominant values. These are the specific beliefs expressed by groups and organizations.
Norms. these are general patterns of behavior that all members of a group are expected to follow.
Rules. are specific instructions of what must be done, whereas norms are sometimes unwritten and informally accepted. The rules are the "must dos" of the organization set out by management.
Philosophy: in this context these reflect the underlying beliefs that people hold about people in general, their beliefs, mentality and the basis on which they operate.
Climate: the physical layout of building, attitudes to open plan as opposed to enclosed offices, recreations facilitates, management style and the design of public areas all help to create the atmosphere or climate within the company.

In the next figure, "the cycle of culture" the circularity displayed indicates that culture produces particular behavior and associated belief patterns, which in turn influences what actually happens within the organization. The implication being that if management perceives that a particular culture achieves the objectives being pursued it will be reinforced.

Figure 5.4: The circle of culture



Source: Proper making from the information of: Organizational Behaviour; John Martin. Chapter 14. Thomson Learning

5.11.4 CLASSIFICATON SCHEMES

Culture is vital to the well being and success of an organization: It reduces uncertainty by creating a common methodology and language for interpreting events and issues; it provides a sense of order so that all team members know what is expected; it creates a sense of continuity; it provides a common identity and unity of commitment, a sense of belonging; it offers a vision of the future around which a company can rally. It is, in short, an asset that can and should be managed in support of organization goals.

It has been suggested that organizational culture affects such outcomes as productivity, performance, commitment, self confidence, and ethical behavior (Deal & Kennedy, 1982; Denison, 1984). However, little has been done to develop theory that attempts to explain the process through which individuals are affected by the organization's culture.
Instead, a large portion of the research has concentrated on the "strong vs. weak" culture dichotomy (Deal & Kennedy, 1982), suggesting that culture manifests varying degrees of influence over the members of an organization.

Strong/weak cultures

Strong culture is said to exist where staff respond to stimulus because of their alignment to organizational values. In such environments, strong cultures help firms operate like well-oiled machines, cruising along with outstanding execution and perhaps minor tweaking of existing procedures here and there (Deal T. E. and Kennedy, A. A. 1982).

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

Where culture is strong, people do things because they believe it is the right thing to do, there is a risk of another phenomenon, Groupthink. "Groupthink" was described by Irving L. Janis. He defined it as "...a quick and easy way to refer to a mode of thinking that people engage when they are deeply involved in a cohesive in-group, when members' strivings for unanimity override their motivation to realistically appraise alternatives of action." This is a state where people, even if they have different ideas, do not challenge organizational thinking, and therefore there is a reduced capacity for innovative thoughts.

This could occur, for example, where there is heavy reliance on a central charismatic figure in the organization, or where there is an evangelical belief in the organization's values, or also in groups where a friendly climate is at the base of their identity (avoidance of conflict). In fact group think is very common, it happens all the time, in almost every group. Members that are defiant are often turned down or seen as a negative influence by the rest of the group, because they bring conflict.

Deal and Kennedy

- Deal and Kennedy defined organizational culture as the way things get done around here. They measured organizations in respect of:
- Feedback - quick feedback means an instant response. This could be in monetary terms, but could also be seen in other ways, such as the impact of a great save in a soccer match.
- Risk - represents the degree of uncertainty in the organization's activities.
- Using these parameters, they were able to suggest four classifications of organizational culture:
- The Tough-Guy Macho Culture. Feedback is quick and the rewards are high. This often applies to fast moving financial activities such as brokerage, but could also apply to a police force, or athletes competing in team sports. This can be a very stressful culture in which to operate.
- The Work Hard/Play Hard Culture is characterized by few risks being taken, all with rapid feedback. This is typical in large organizations, which strive for high quality customer service. It is often characterized by team meetings, jargon and buzzwords.
- The Bet your Company Culture, where big stakes decisions are taken, but it may be years before the results are known. Typically, these might involve development or exploration projects, which take years to come to fruition, such as oil prospecting or military aviation.
- The Process Culture occurs in organizations where there is little or no feedback. People become bogged down with how things are done not with what is to be achieved. This is often associated with bureaucracies. While it is easy to criticize these cultures for being overly cautious or bogged down in red tape, they do produce consistent results, which are ideal in, for example, public services.

Charles Handy

Charles Handy (1985) popularized the 1972 work of Roger Harrison of looking at culture which some scholars have used to link organizational structure to Organizational Culture. He describes Harrison's four types thus:

- Power Culture which concentrates power among a few. Control radiates from the center like a web. Power Cultures have few rules and little bureaucracy; swift decisions can ensue.
- In a Role Culture, people have clearly delegated authorities within a highly defined structure. Typically, these organizations form hierarchical bureaucracies. Power derives from a person's position and little scope exists for expert power.
- By contrast, in a Task Culture, teams are formed to solve particular problems. Power derives from expertise as long as a team requires expertise. These cultures often feature the multiple reporting lines of a matrix structure.
- A Person Culture exists where all individuals believe themselves superior to the organization. Survival can become difficult for such organizations, since the concept of an organization suggests that a group of like-minded individuals pursue the organizational goals. Some

professional partnerships can operate as person cultures, because each partner brings a particular expertise and clientele to the firm.

Ouchi´s type Z companies

Dr. William Ouchi's (Handy, C.B. 1985) so-called "Japanese Management" style popularized during the Asian economic boom of the 1980s. In contrast Theory X, which stated that workers inherently dislike and avoid work and must be driven to it, and Theory Y, which stated that work is natural and can be a source of satisfaction when aimed at higher order human psychological needs, Theory Z focused on increasing employee loyalty to the company by providing a job for life with a strong focus on the well-being of the employee, both on and off the job.

According to Ouchi, Theory Z management tends to promote stable employment, high productivity, and high employee morale and satisfaction.

With Theories X, Y, and Z implications for the modern organization include new challenges and opportunities. As we learn from these theories and work to implement the ideas in them we must be aware of the modern issues of working with people from different cultures and overseeing movements of jobs to countries with low-cost labor.

Also, these theories have proven with many fortune 500 companies and others that when applied, do improve quality and productivity and also help to strengthen company labor issues. In addition to the changing work demographic, new problems and issues have risen since the X; Y and Z theories were formed. Some issues include fewer skilled laborers, early retirements, and older workers.

However, we believe that strengthening worker respect and commitment toward their company is still possible when the same tactics are applied. Other opportunities that have been implied while companies use Theory Y and Z include, an improvement of people skills, empowering their employees, stimulating change, helping employees balance work with life conflicts, and improving ethical behavior.

He identified the differences between American and Japanese organizations in some aspects.

Table 5.1: Differences between American and Japanese Management Practice.

American Organizations	Japanese Organizations
Short-term employment	Lifetime employment
Individual decision making	Collective decision making
Individual responsibility	Collective responsibility
Rapid evaluation & promotion	Slow evaluation & promotion
Explicit control mechanisms	Implicit control mechanisms
Specialized career paths	Nonspecialized career paths

Source: Proper making from Theory Z - Type Z Organizations.

Then he went around interviewing managers of various companies asking them to identify American Companies which are practicing the characteristics identified by Ouchi as Japanese organization practices. But Ouchi had not told the managers that they were Japanese practices. Many managers identified some American companies as following those practices. The companies identified were IBM, Procter and Gamble, Hewlett Packard, Eastman Kodak, and the US Military. These companies are named Theory Z companies by Ouchi. They are companies in USA but follow practices similar to Japanese companies.

5.11.5 DETERMINATS OF CULTURE

For international organizations there are two distinct types of culture active in any given context. They are the national culture and the organizational culture. There can be very real tensions and difficulties between these two cultural frameworks.

- Handy (1993) indicates a number of influences on the apparent culture of an organization:
- History and ownership. In a very real sense culture is something that is independent of most individuals within the organization. In all cases other than a start-up, or close-down the company existed before particular employees joined it, and it will continue to exist after they leave it. From that perspective, the culture of an organization is more enduring than the individuals within it, but subject to accommodation ass the fluid human resource flows through it and interacts with the culture that exist. The type of ownership will also have an impact on the culture of the organization.
- Size: influences culture if for no other reason than the formality required in the operation of larger organization. This does not automatically imply that large organization have culture that are better or worse than small organization.
- Goals and objectives: What the organization sets out to achieve will also influence the culture.
- Environment: the organizational environment is made up of several independent and interdependent elements. There are the customers markets, the suppliers markets, the financial markets, governmental influences and so on. The way in which an organization chooses to interact with each of the elements in its environment will influence how it organizes itself and shapes its culture.
- People: the preferred style of work among seniors managers, the preferences among employees as to how they wish to be managed both interact in the cultural dimension.

5.11.6 NATIONAL CULTURE

Organization operates within a national setting. In that sense they are subject to the same cultural forces that act upon every other aspect of the life in that situation. The majority of employees of an organization will come from the national setting into the organization bringing their culture whit them. For this reason it would be natural to expect, that the culture of an organization would be based largely on the predominant local culture.

This is a result of a number of factors acting upon any given situation. For example, within any culture there exits sub-and counterculture that introduce variety, there is the growing movement of people around the world introducing cultural diversity into any particular setting. There is also the growing globalization of business which introduces another element of variety into the cultural milieu.

Organizations are able to identify and separate culture into two distinct forms (internal and external). Also, they are able to manage the internal form as necessary to support business objectives as distinct from the surrounding national culture. In practice this view holds that employees leave their social culture at the door when they arrive at work and automatically and naturally adopt the cultural values of the workplace without difficulty.

The divergence view holds that national culture takes preference and that organizational culture will adapt to local cultural patterns (Lammers and Hickson, 1979). This view holds that it is organization that need to adapt to local circumstances otherwise the corporate culture will be out of synchronization with the local norms and will be ignored or even create problems. Large international organizations that operate according to centralized styles could well display convergence characteristics, while, conversely, organizations predominantly based in a specific country are more likely to demonstrate divergence.

It is also be possible that there will be a middle line. That organizational culture will frequently contain elements of national and company preference.

Hofstede´s perspectives.

Based on his worldwide study of several IBM subsidiaries, the Dutch anthropologist, Geert Hofstede developed several dimensions that can be used to classify cultures. He defines culture as mental programming on the basis that it predisposes individuals to particular ways of thinking, perceiving and behaving. He developed four dimensions of culture from a factor analysis of his questionnaire-based research data:

Individualism/Collectivism: this factor relates to the degree of integration between the individuals in a society. As you might imagine, cultures that score high on the individualism dimension are considered to be "me" societies. They focus on the interest of the individual. On the other side, you find the "we" cultures in which the interest of the group is of utmost importance. Closely related to this dimension is the concept of "self." People in high individualism societies find it natural for people to express themselves and discover their own unique qualities. They have an "independent view of the self."

Power distance: the degree of centralization of authority and autocratic leadership. The higher the levels of concentration of power in a few people at the top, the higher the power distance score. Low power distance countries don't find wide gaps in these areas acceptable. They tend to think that people should have equal rights (or have a more egalitarian view).

Uncertainty avoidance: How the members of a society deal with uncertainty. The future remains uncertain and unpredictable as does the potential behavior of other people.

Masculinity/Femininity: the division of activity within a society can be based on the sex of the individual or it can be gender free. Those societies that Hofstede classified as “masculine” displayed a high degree of social sex role division. In those societies classified as feminine the dominant characteristics tended to be those of preferring people before money, seeking a high quality of life, helping others, smallness of scale…

The Table 5.11.3 provides an indication of those countries that exhibit high and low levels of each of the four dimensions identified by Hofstede.

Table 5.2: Ilustration of Hofstede´s classification.

	Individualism	Power Distance	Uncertainty avoidance	Masculinity
HIGH	USA	PHILIPINES	GREECE	JAPAN
	UK	MEXICO	PORTUGAL	AUSTRALIA
	AUSTRALIA	INDIA	JAPAN	ITALY
	CANADA	BRAZIL	FRANCE	MEXICO
LOW	MEXICO	AUSTRALIA	DENMARK	SWEEDEN
	GREECE	ISRAEL	SWEEDEN	DENMARK
	TAIWAN	DENMARK	UK-USA	THAILAND
	COLOMBIA	SWEEDEN	INDIA	FINLAND

Source: Proper making from; Organizational Behaviour, John Martin, The university of Hull; ED: Thomson Learning.

Hofstede considered that power distance and uncertainty avoidance were the "decisive dimensions" of organizational culture (1990, p 403). This view clearly links organizational and national culture by implying that the preferred ways of managing and organizing in a specific context will be based upon the national tendencies.

As researchers have found over and over, the influences of national cultures shape strong value systems among their members. The resulting shared values, preferences, and behaviors' of population groups differ widely between countries. That is frequently also the case between different subgroups within a country, so keep in mind that the term "national culture" can be misleading. It may only be referring to part of the people in a given country.

Adler cites researcher André Laurent's finding that cultural differences were "significantly greater among managers working within the same multinational corporation than they were among managers working for companies in their own native country. The reasons are not well-understood, but it appears that employees may be resisting a company's corporate culture if it is counter to the beliefs of their own national one.

Adler's observations support the conclusion that national culture outweighs organizational culture. However, one factor may offset this: at some multinationals, a combination of targeted hiring processes and employee self-selection increasingly establishes foreign workforces that are more in harmony with the respective corporate culture. Those who fit well stay with the company, those who do not either do not get hired in the first place or leave within a few years. This appears to have intensified over the last decade. Companies strongly nurturing the trend may be able to maintain a fairly homogenous culture across their foreign locations. However, the experience shows that companies are giving up several of the benefits of cross-cultural diversity. .

5.11.7 CULTURE AND GLOBALIZATION

"The whole world is my native land"

Seneca

I want to think about the relationship between the globalization process and that complex human condition we call 'culture'. But first I need to say very briefly what I understand by globalization. Globalization is a complex process because it involves rapid social change that is occurring simultaneously across a number of dimensions (in the world economy, in politics, in communications, in the physical environment and in culture) and each of these transformations interacts with the others.

So it's a complicated process to grasp in its entirety. However, at its core, there is something going on which is quite simple to describe and some authors call this a process of accelerating 'connectivity' (Tomlinson, 1999).

This increasing connectivity is, in some ways, an obvious aspect of our lives. It is something we can all at least in developed societies, recognize in everyday routine practices: in our use of communications technologies (mobile phones, computers, email, the internet) in the built environment we inhabit, in the sort of food we eat, in the way we earn our livings, and in the way we entertain ourselves, in cinema, television and so on. It is pretty obvious that we are living in a much more globally 'connected' world today than even thirty of forty years ago.

One reason why people believe that globalization will lead to a single global culture is that they see the effects of connectivity in other spheres (particularly in the economic sphere) producing an integrated system .Whereas it was in the past possible to understand social and economic processes and practices as a set of local, relatively "independent" phenomena, globalization makes the world, to quote (Roland Robertson, 1992), a "single place".

However, increasing global connectivity by no means necessarily implies that the world is becoming either economically or politically "unified". Despite its reach, few would dare to claim that the effects of globalization currently extends in any profound way to every single person or place on the planet, and speculation on its spread must surely be tempered by the many countervailing trends towards social, political and indeed cultural division that we see around us.

According to Yip (1989) globalization consists of a three-stage process as the organization evolves:

- Developing a core strategy as the basis competitive advantage, usually home country based. A home country-based organization.
- Internalization of the home country strategy. A multinational organization.
- Globalization through integration of the largely separate country-based international strategies. The global organization.

The third stage of this model is what differentiates globalization in modern times from previous international business activity. Bartlett and Ghoshal (1989) add two other types of organization to those just listed:

- International organization: whereas the global company seeks to capitalize the advantages of the potential to function on a global scale, but in a centralized way, the international organization seeks to function more like a co-coordinated federation.
- Transnational organization: according to Bartlett and Ghoshal this type of organization seeks to blend together the three major themes of global integration, local differentiation and worldwide innovation.

One of the difficulties facing any organization operating internationally is that of culture. The major difficulties involved in this process are first, the identification of the factors defining culture.

There are many aspects of business that are considered on national basis, for example transport routes, distribution channels, customs regulations and legal frameworks. Every country is made up of different cultural groups, with varying degrees of similarity and difference. So nation is only a poor reflection of the cultural boundaries that exist among the people who inhabit the world.

5.11.8 THE MANAGEMEN AND GHANGING ORGANIZATIONAL CULTURE

Organizational culture is hard to change in the best circumstances: Employees need time to get used to new ways of organizing. Defensive routines pollute the system, more often than not unwittingly, and undermine it. The dynamics of culture change must be considered an evolutionary process at individual, group, organizational, and interorganizational levels, to be facilitated by psychologically attentive leaders who do not underestimate the value of selection, socialization, and leadership. People cannot share knowledge if they do not speak a common language: And so there is a serious, oft-ignored need to root learning in human resource policies and strategies.

Also organizational change is a very complex concept and it can be viewed by utilizing differing logics (Robey – Boudreau, 1999) and perspectives (Orlikowski, 1996). The divergent logics and perspectives have been derived from studies that concern technology-based change and controversial organizational consequences of information technology (IT), but they are assumed to be applicable altogether related to different kinds of organizational change efforts.

The authors also outline the logic of opposition, which explains organizational change by focusing on forces that promote or oppose change. The authors present a set of theories that according to them incorporate the logic of opposition. Organizational culture is one of these theories.

The authors summarize that this type of studies emphasize the importance of symbolic meanings of IT and the difficulty of implementing systems into resistant cultures. These types of studies also show that IT may produce paradoxical or ironic consequences in organizations (Robey – Boudreau, 1999).

Orlikowski, on the other hand, presents four perspectives on organizational change. A planned change perspective assumes that managers are the primary source of organizational change and they are able to straightforwardly implement the changes needed. This view has been criticized because change is viewed as an entity that can be managed separately. Criticized is also the assumption that managers can rationally direct and manage change.

Environmental changes or changes in internal conditions activate punctuated discontinuities. This view is criticized of being based on the premise of stability. Finally, Orlikowski herself advocates a perspective of emergent change. This kind of change is grounded in the organizational members' ongoing practices. Organizational change is seen as 'ongoing improvisation enacted by organizational actors trying to make sense and act coherently in the world' (Orlikowski 1996: 65). Organizations are enacted – the view of change relies on the assumption of action, not stability. Organizational members continuously improvise and adjust their work practices, due to which change needs to be seen as inherent in everyday practice (Orlikowski, 1996).

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

Burman and Evans (2008) argue that it is "leadership" that affects culture rather than "management", and describe the difference. When one wants to change an aspect of the culture of an organization one has to keep in consideration that this is a long term project. Corporate culture is something that is very hard to change and employees need time to get used to the new way of organizing. For companies with a very strong and specific culture it will be even harder to change.
Cummings & Worley (2005, p. 491 – 492) give the following six guidelines for cultural change, these changes are in line with the eight distinct stages mentioned by (Kotter, 1995, p. 2):

1) Formulate a clear strategic vision. In order to make a cultural change effective a clear vision of the firm's new strategy, shared values and behaviours is needed. This vision provides the intention and direction for the culture change.
2) Display Top-management commitment. It is very important to keep in mind that culture change must be managed from the top of the organization, as willingness to change of the senior management is an important indicator. The top of the organization should be very much in favor of the change in order to actually implement the change in the rest of the organization.
3) Model culture change at the highest level. In order to show that the management team is in favor of the change, the change has to be notable at first at this level. The behavior of the management needs to symbolize the kinds of values and behaviors that should be realized in the rest of the company. It is important that the management shows the strengths of the current culture as well; it must be made clear that the current organizational does not need radical changes, but just a few adjustments.
4) Modify the organization to support organizational change. The fourth step is to modify the organization to support organizational change.
5) Select and socialize newcomers and terminate deviants. A way to implement a culture is to connect it to organizational membership, people can be selected and terminate in terms of their fit with the new culture.
6) Develop ethical and legal sensitivity: Changes in culture can lead to tensions between organizational and individual interests, which can result in ethical and legal problems for practitioners. This is particularly relevant for changes in employee integrity, control, equitable treatment and job security (Cummings & Worley, 2005, p. 491).

Change of culture in the organizations is very important and inevitable. Culture innovations is bound to be because it entails introducing something new and substantially different from what prevails in existing cultures. Cultural innovation is bound to be more difficult than cultural maintenance. People often resist changes hence it is the duty of the management to convince people that likely gain will outweigh the losses. Besides institutionalization, deification is another process that tends to occur in strongly developed organizational cultures.

Managing culture is something that automatically forms part of the remit of any manager. However, in many situations this is not specifically recognized as a need. That is usually because there is congruence between the manager's experience and the surrounding culture.

Sometimes supporting factors to change can be external new laws, changes in the labor market. The changes require changing human behavior processes (social and psychological) of the company personnel. It is not so obvious that people will accept this requirement; indeed people usually refuse it, demonstrating a human resistance to change.

Analyzing the change process we briefly need to focus on the process called "resistance to change" (Judson, 1991) which is one of the most important frequent reactions to the demand for change. Humans demonstrate the tendency for repetitive behavior (Festinger, 1957). Changing behavior also means the need to justify to ourselves, before justifying to others, the reason for this change, avoiding the risk of feeling incoherent. This need usually arise after the behavior has changed, or after the decision has been taken. Humans need to justify their actions and this means humans need to find international justification as external is enough.

But we have to bear in mind that a change needs be management by someone. Kotter (1995) highlights the management role in a project about organizational change. The theory on organizational development underlines that resistance to change often arose in workers because of ineffective management strategies. If the management and leadership strategies are not opportunely shared with employees, then it is really hard for any change to become an improvement.

Indeed, the way in which people are involved in the definition of the strategic goals is fundamental, also referring to problem solving and the strategies towards change. Leaders and teams in managerial positions that concretely invest in values linked to cooperation and improvement of the psycho-social climate can be fully considered as actors for the change and they are able to achieve success in obtaining higher and higher level of organizational effectiveness.

An "oriented to change" management should focus attention to acting communicational processes that are widespread and continuous, stimulating work groups as privileged places in the sense-making process and in sharing common aims. Bass and Avolio (1985, 1990) synthesize in four points the characteristics of transformational leader, effective in the empowerment process:

- Idealized influence: The capability of a leader to communicate high values, to share them with the members and to give the maims related to ideals, rather than to tangible rewards.
- Inspirational motivation: forms together with idealized influence the charisma factor; the transformational leader is perceived a charismatic, members follow his/her indications… but charismatic leaders are also dangerous for the organization, if they are not able to empower members, the risk is to obtain "good followers", usually closely linked to the leader (as a person, not as a role).
- Individualized consideration: is the perception of members to be considered as individuals, not just members of the team.
- Intellectual stimulation: leader should put emphasis on the intellectual potential of each individual, giving importance to each individual's contribution and each individual's capability to solve problems, to improve and to be creative.

The four items of transformation leadership should be considered as results, not as attitudes or behaviors.

5.11.9 CONCLUSIONS

What constitutes organizational culture and its perceived role in organizational success are contested, resting on perceptions of culture either as a historically-based, change-resistant, deep social system which underpins all organizational strategy and action, or as just one aspect of the total organizational system, manipulability though surface structures such as rewards. The paradigm adopted will determine which of the key points of leverage are deemed most likely to achieve the desired outcome of cultural maintenance or change.

The perspective adopted will determine the focus of cultural change, development or maintenance activities, that is, whether they are to involve the whole organization, identified sub-cultures, or small cells brought together for specific projects. There are no definitive answers to questions about the most appropriate way to change or maintain an organizational culture in order to provide for success or, indeed, whether change or maintenance is required in a given context, to answer these question is the essential challenge facing the strategic leader.

The benefit of cultivating a pronounced organizational culture is that it helps establish common values and align behaviors among employees. Many multinational companies use employee hand-books, corporate ethics guidelines, written value definitions, and other tools for their employees world-wide in order to drive this kind of alignment.

One may ask to what extent organizational cultures are based on national cultures. Available research results in this field are insufficient for a conclusive answer. However, a few published results, combined with anecdotal evidence, suggest that while there is a strong correlation, organizational cultures are also shaped by many other influences.

Especially in the United States with its strong preference for individualism, a wide and diverse range of company cultures exists. An organization's culture may reflect the personality and preferences of its founder or founding team, as with Hewlett-Packard and Apple. In other instances, charismatic leaders molded or amplified their enterprise's culture, such as Jack Welsh at GE or Lee Iacocca at Chrysler. Sometimes, organizational cultures have been nurtured over such a long time that they seem to have acquired a life of their own, regardless of the person at the top; IBM comes to mind in this category.

Review question

1. Organizational culture definition?
2. Dimensions of organizational culture?
3. Kinds of organizational culture?
4. Hofstede's classification of organizational culture?
5. Culture's influence on employees behavior?

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5.12 ORGANIZATIONAL CLIMATE

5.12.1 INTRODUCTION

The scientific analysis of organizational climate has deep traditions. Basically it is related with pathfinders of organizational climate Kurt Lewin's, George Litwin's and Robert Stringer's works (Kalinauskaitė, 2007).

The concept of organizational climate has been widely used since 1960s, but the term "organizational climate" was first developed in 1939 following a study of children's school clubs by Kurt Lewin and his colleagues. Kurt Lewin and his associates characterized leadership within the clubs as corresponding to one of three styles (autocratic, democratic or laissez faire). These styles determined the "social climate" within the clubs, which led in turn to particular behavior repertoires displayed by the boys (Clegg and Bailey, Eds.).

George Litwin and Robert Stringer first wrote up their research on organizational climate in 1968. They demonstrated that certain leadership styles produce a positive and stable organizational climate that makes an impact on motivation and performance (George, Litwin and Stringer, 1968).
This chapter is a brief overview of organizational climate and its characteristics. It is important to understand organizational climate, because understanding of organizational climate provides an understanding how the different management styles have a great effect on the members of organization, the work achieved by it and the health of it (Ertekin, 1978).

5.12.2 THE CONCEPT AND DEFINITION

There are many definitions of organizational climate, but the most popular is the definition of Benjamin Schneider (1975), who defined organizational climate as a mutually agreed internal environmental description of an organization's practices and procedures. He says that climate is an experientially based description of the work environment and more specifically, employees' perceptions of the formal and informal policies, practices and procedures in their organization (Schneider, 1990). Within this definition, it should be noted that the focus is on organizational members' agreed perceptions of their organizational environment.

Robert Stringer (2001), who first wrote up the research on organizational climate in 1968, also says that climate is people's perceptions of the organizational environment: what it feels like to work in a place. According to him, to ignite employees' motivation and sense of ownership, managers must understand and apply a framework, feedback, and some tools for reaping the advantages of a positive organizational climate.

Other definitions of organizational climate, that can be found in the literature:

- It is the way in which organizational members perceive and characterize their environment in an attitudinal and value-based manner (Denison, 1996; Moran and Volkwein, 1992; Verbeke, Volgering, and Hessels, 1998);
- It is the aggregated perceptions of individuals concerning the organization - its degree of trust, conflict, morale, rewards equity, leader credibility, resistance to change and scapegoating (Burton et al., 2004);
- It is employees' perception of company policies and social environment (M. Patterson, Warr, & West, 2004);

- It is important characteristics of work environment, which measure individual‘s perception of organization changes (Patterson, Warr & West, 2004).

It must be mentioned, that there is an interaction between organizational climate and organizational culture, but there is a difference between these definitions. The main difference between organizational climate and organizational culture is that, organizational climate is often defined as the recurring patterns of behavior, attitudes and feelings that characterize life in the organization (Isaksen and Ekvall, 2007), while organizational culture is described as a composition of believes, values or norms shared by all members of organization (Tahaoglu, 2007). Organizational culture additionally includes symbols, structure and rituals of an organization (Burton et al., 2004), while organizational climate is based upon perceptions and is itself not an aspect of the organizational structure (Koys and Decotis, 1991 in Burton et al., 2004). Organizational climate is mostly about attitudes and behaviors, whereas the culture is a process in which the aim is to form a collection about more comprehensible system of values and believes (Bilir, 2005). For this reason, both concepts include different meanings although they are in the same way related with each other.

5.12.3 ORGANIZATIONAL CLIMATE'S IMPACT ON THE COMPONENTS OF ORGANIZATION

According to certain studies carried out in U.S.A. in 2001, there is a positive correlation between a good organizational climate and profitability. The results of those studies showed that profit margins were 71% higher in organizations with energizing climates than in those with poorer climates (http://www.pjbourbeau.com/main.cfm?p=401&l=en).

A number of studies have found a very strong link between supportive organizational climate and other desirable individual and organizational outcomes. For example, the research made by Rogg and colleagues (Rogg et al., 2001) verified the importance of supportive organizational climate and measures of customer satisfaction. Eisenberger et al. (1990) found a relationship between perceived organizational support and measures of employee diligence, commitment, and innovation. Scholars Rhoades et al., (2001) reported a direct relationship between perceived organizational support and commitment to the organization. Mercer and Bilson (1985) also reported a positive relationship between supportive organizational climate and employee outcomes such as organizational commitment and job satisfaction. Scholars Pritchard and Karasick (1993) on their studies have found climate dimensions to be moderately strongly related to such job satisfaction facets as security working conditions and advancement opportunities.

Some theoretical models assert that the values supported and reinforced within an organization influence the types of human resources systems that are in place within that organization and then these systems, in turn, affect the organization's climate. This resulting climate then has been shown to positively impact employee attitudes and behavior, as well as individual and organizational performance (Ferris, Arthur, Berkson, Kaplan, Harrell-Cook, and Frink, 1998).

Numerous studies have also found positive relationships between positive organizational climates and various measures of organizational success, most notably for metrics such as sales, staff retention, productivity, customer satisfaction, and profitability. For example, Denison (1990) found that an organizational climate that encourages employee involvement and empowerment in decision-making predicts the financial success of the organization. Patterson, Warr and West (2004) found that manufacturing organizations that emphasized a positive organizational climate, specifically concern for employee well-being, flexibility, learning, and performance, showed more productivity than those that emphasized these to a lesser degree. Ekvall (1996) also found a positive relationship between climates emphasizing creativity and innovation and their profits, meanwhile Hansen and Wernerfelt (1989) in their studies found that organizational climate factors explain about twice as much variance in profit rates as economic factors. The scholar Thompson (1996) found that companies utilizing progressive

human resource practices impacting climate such as customer commitment, communication, empowerment, innovation, rewards and recognition, community involvement/environmental responsibility and teamwork outperformed organizations with less progressive practices.

As mentioned, organizational climate clearly influences the success of an organization, however many organizations struggle to cultivate the climate they need to succeed and retain their most highly effective employees. Hellriegel and Slocum (1998) explain that organizations can take steps to build a more positive and employee-centered climate through:

- Communication – how often and the types of means by which information is communicated in the organization.
- Values – the guiding principles of the organization and whether or not they are modeled by all employees, including leaders.
- Expectations – types of expectations regarding how managers behave and make decisions.
- Norms – the normal, routine ways of behaving and treating one another in the organization.
- Policies and rules - these convey the degree of flexibility and restriction in the organization.
- Programs – programming and formal initiatives help support and emphasize a workplace climate.
- Leadership – leaders that consistently support the climate desired.

The amount of support that individuals receive from their organization would directly lead to higher performance. Some research has indeed shown a direct relationship between these variables (e.g., Eisenberger et al., 1990). However, if someone does not have the aptitude or individual capacity to perform a task, all of the support possible would not necessarily yield a consistent level of success.

5.12.4 THE TYPES OF ORGANIZATIONAL CLIMATE

Zammuto and Krackover (1991) distinguish 4 organizational climate types: group climate - concentrated on internal focus with high trust and morale; developmental climate - more externally oriented (trust and moral are high as well, but the resistance to change is low); rational goal climate - is externally oriented to succeed, but morale and trust are lower; internal process climate - is more mechanical with a high resistance to change, low trust and low morale (the focus lies internal, on staying functioning).

Hooijberg and Petrock (1993) characterize the four climate types from the point of view of the competing values:

- Group climate could be described as a friendly place to work where people share a lot of themselves, it is like an extended family. The leaders, or head of the organization, are considered to be mentors and even parent figures. The organization is held together by loyalty or tradition and the commitment is high. The organization emphasizes the long-term benefits of human resource development with high cohesion and morale being important. Success is defined in terms of sensitivity to customers and concern for people. The organization places a premium on teamwork, participation, and consensus.
- Developmental climate could be described as a dynamic, entrepreneurial and creative place to work - people stick their necks out and take risks. The leaders are considered to be innovators and risk takers. The glue that holds organizations together is commitment to experimentation and innovation. The emphasis is on being on the leading edge and readiness for change and meeting new challenges are important. The organization's long-term emphasis is on growth and acquiring new resources. Success means having unique and new products or services and being a product or service leader is important. The organization encourages individual initiative and freedom.

- Rational goal climate could be described as a results-oriented organization. The leaders are hard drivers, producers, and competitors, they are tough and demanding. The glue that holds the organization together is the emphasis on winning. The long-term concern is on competitive actions and achievement of measurable goals and targets. Success is defined in terms of market share and penetration. Competitive pricing and market leadership are important.
- Internal process climate is a formalized and structured place to work. Procedures govern what people do. The leaders pride themselves on being coordinators and organizers. Maintaining a smooth running organization is important. The long term concerns are stability, predictability, and efficiency. Formal rules and policies hold the organization together.

Organizational climates can also be described as (http://www.ehow.co.uk/info_8543259_elements-organizational-climate.html):

Centralized and hierarchical or decentralized. Centralized organizations give certain individuals power over others, meanwhile decentralized organizational climates have authority spread out between different members. As workers become more specialized, they need more autonomy and self-regulation, since authority figures will not always have the knowledge necessary to manage more sophisticated tasks. However, workers have more responsibilities placed on them in decentralized organizations than in centralized organizations, since they mainly decide which actions they will take, not the superiors.

“Open” or “closed”. “Open” climate is characterized by functional flexibility, where esprit, thrust, and consideration are high, disengagement, hindrance, production emphasis, and aloofness are low and intimacy is average, or “closed”: which is characterized by functional rigidity, where hindrance, disengagement, production emphasis, and aloofness are high; esprit, thrust, and consideration are low; and intimacy is average. Both sets of characteristics are perceived as such by members of the organization which is being categorized as having an "open" or a "closed" climate.

Formal or informal structured. Formalized structures have standardized rules about how workers carry out activities in the organization, while less formalized structures give members the freedom to engage in alternative solutions to problems, with members having more freedom.

To summarize, there are different types of organizational climate. It is important for organizations to choose the right type of climate for its members to work in particular organization.

5.12.5 ORGANIZATIONAL CLIMATE AND ORGANIZATIONAL LEADERSHIP

As a result of its subjective nature and vulnerability to control and manipulate by individuals within an organization’s decision - making mechanism, the organizational climate is greatly influenced by organizational leadership (Cameron and Smart, 1998, Johnsrud, 2002, Smart, 1990, Volkwein and Parmley, 2000).

According to Litwin and Stringer (2001) leadership style is a critical factor of the quality of any organizational climate. They say that manager’s behavior accounts for about 70 % of the variability of climate. According to Litwin and Stringer (2001) good managers lower anxiety, creating a sense of confidence and security. By communicating realistically, they build trust and they acknowledge urgency, focusing teams on the most important projects and goals. All these actions engage employees in their work and connect them to the larger organization (Lockwood, 2007).

According to Hersey and Blanchard's situational model, the choice of the best leadership style depends mainly on three variables: the leaders themselves, their subordinates and the situation particularity. Leaders must remain sensitive to employees' level of readiness to take on the task and adjust their

behaviour to that situation accordingly. Ability describes the technical aspect of work and willingness refers to confidence and motivation to perform the assigned task. A successful leader creates thus a correlation between the leadership style and the current situation, as well as a climate that motivates people to maximize productivity and consequently their satisfaction (http://www.pjbourbeau.com/main.cfm?p=401&l=en).

Hay and McBer notes that leaders' performance is measured in terms of the leadership styles in their "repertory". The more they master, the more stable their organizational climate is. According to them, leaders have all styles, but in order not to lose their performance, they can build a team of members who employ styles they lack. For that, they must be aware of their own strengths and weaknesses, as well as of their technical and emotional abilities, so that they could make use of them when applying the appropriate leadership style. Empirical researches have shown that there is no normative (best) style of leadership and that successful leaders are those who can adapt their leader behavior not only to organization's requirements, but also to employees' needs and to particular situations (http://www.pjbourbeau.com/main.cfm?p=401&l=en).

With layoffs and quarterly losses on the rampage today, companies that succeed are striving to make sure it feels good for their employees to work with them. Their leaders are finding ways to assign manageable workloads, improve morale, lower anxiety, and focus the employees on contributing in their current job rather than finding their next one. Key to this success is leadership that encourages a collaborative, synergetic, and creative work environment. In a positive organizational climate, employees have the confidence and stability they need to serve customers more effectively with more innovative products.

5.12.6 THE MEASUREMENT OF CLIMATE

Litwin and Stringer (1968) notes, that organizational climate is measured along the following dimensions: structure, responsibility, warmth, support, reward, conflict, standards, identity and risk. Zammuto and Krackover (1991) states, that climate can be measured using the following dimensions:

- Trust - an organization has a high level of trust when the individuals are open, sharing and truthful, where individuals place their confidence. An organization has a low level of trust when the individuals are closed, guarded, unsharing, untruthful and creates an atmosphere of anxiety and insecurity.
- Conflict - an organization has a high level of conflict when there is a high opposition of forces, goals and beliefs, which are experienced in friction and disagreement among the individuals. An organization has a low level of conflict when there is harmony in goals, beliefs, which yields a spirit of cooperation among the individuals.
- Morale - an organization has a high level of employee morale when the individuals are confident and enthusiastic about the organization. An organization has a low level of employee morale when the individuals lack confidence and enthusiasm about the organization and individuals lack a sense of purpose and confidence about the future.
- Rewards - an organization is equitable in its rewards when individuals accept rewards as fair and just without bias or favoritism. An organization is inequitable in its rewards when individuals see favoritism, bias, and none work related criteria as the basis for rewards.
- Resistance to change - an organization has a high resistance to change when individuals believe the inertia is high and presume. An organization has a low resistance to change when individuals embrace change as the normal circumstance and relish that tomorrow will be different.
- Leader credibility - the leader credibility is high when individuals have belief in its leadership; there is a sense of respect, inspiration and acceptance of decisions and actions. The leader credibility is low when the individuals lack respect and do not accept the legitimacy of authority.

- Scapegoating - an organization has a high level of scapegoating when individuals believe that the responsibility for actions will be shifted to others - top management, staff, employees or outsiders. An organization has a low level of scapegoating when individuals believe that the responsible individuals assume the responsibility for the failure of actions.

5.12.7 CONCLUSION

Organizational climate is the summary perception which people have about their organization and also a global expression of what the organization is. It consists of separate individual perceptions about the internal environment in the organization and can be measured along dimensions as trust, hindrance, disengagement, spirit, intimacy, aloofness, production emphasis and consideration etc. (Burton et al, 2004, p.4). Bowen and Ostroff (2004) say that organizational climate is a linking force between human resources management practices and firm performance. They related this understanding to a whole school of researchers that defines organizational climate as shared perception of what the organization is in terms of practices, policies, procedures, routines and rewards (e.g., Schneider, 2000).

The terms climate and culture are usually used interchangeably in the organizational literature, but these concepts are clearly different. The main difference between these concepts is that culture refers to deeply embedded values and assumptions, while climate refers to environmental factors that are consciously perceived and importantly are subject to organizational control. In this case, climate is something that can be directly influenced by management policies and leadership, while culture is much more difficult to change and control.

According to many studies there is a positive correlation between a good organizational climate and profitability. Organizational climate has a big influence on customer satisfaction, organizational commitment, job satisfaction etc. The more positive the climate is, the better the profitability of organization is. So it is really important for organizations to make sure there is a positive climate inside the organization, because in a positive organizational climate, employees have the confidence and stability they need to serve customers more effectively with more innovative products.

Review questions

1. Organizational climate definition?
2. Types of organizational climate?
3. How is organizational climate influenced by organizational leadership?
4. How to measure the organizational climate?
5. Why is organizational climate so important?

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5.13 THEORIES OF SYMBOLISM

5.13.1 INTRODUCTION

Symbolism is about the production of meaning through the use of symbols. It involves the linking of sign to a referent by some ordering principle. This process of coding (and decoding) is a mental and therefore a cultural activity. Symbols work to organize experience. In semiotic terms, they are signs that stand for something else. A symbol such as a corporate logo or a well-told joke may stand for a particular company or personal stance. Symbols also may invoke feelings of identification and honor or distance and absurd. Symbols carry both denotative and connotative meanings. Denotative meanings refer to direct, more or less instrumental uses of symbol-the flag as representing a given country, a government building, a state holiday, and so forth. Connotative meanings refer to the expressive, broader uses of symbol-the flag as standing for law order, patriotism, national solidarity, and so on. To study symbolism is to learn how the meanings on which people base action are created, communicated, contested, and (occasionally) changed.

5.13.2 KINDS OF SYMBOLISM

The slightest survey of different epochs of civilization discloses great differences in their attitude towards symbolism. For example, during the medieval period in Europe symbolism seemed to dominate men's imaginations. Architecture was symbolical, ceremonial was symbolical, heraldry was symbolical. With the reformation a reaction set in. Men tried to dispense with symbols as 'fond things, vainly invented', and concentrated on their direct apprehension of the ultimate facts (Casey, 1995; Knights & Willmott, 1999).

But such symbolism is on the fringe of life. It has an unessential element in its constitution. The very fact that it can be aquire in the epoch and discarded in another epoch testifies to its superficial nature. There are deeper types of symbolism, in a sense artificial, and yet such that we could not get on without them. Language, written or spoken, is such a symbolism. The mere sound of a word, or its shape on paper, is indifferent. The word is a symbol, and its meaning is constituted by the ideas, images, and emotions, which it raises in the mind of hearer.

There is also another sort of language, purely a written language, which is constituted by the mathematical symbols of the science of algebra. In some ways, these symbols are different to those of ordinary language, because the manipulation of the algebarical symbols does your reasoning for you, provided that you keep to the algebraic rules. This is not the case with ordinary language. You can never forget the meaning of language, and trust to mere syntax to helo you out. In any case, language and algebra seem to exemplify more fundamental types of symbolism than do the Cathedrals of Medieval Europe(Maravelias, 2003; Virno, 1996).

5.13.3 SYMBOLISM AND PERCEPTION

There is still another symbolism more fundamental than any of the foregoing types. We look up to see a colored shape in front of us, and we say,-there is a chair. But what we have seen is the mere colored shape. Perhaps an artist might not have jumped to the notion of a chair. He might have stopped at the mere contemplation of a beautiful color and a beautiful shape. But those of us who are not artists are very prone, especially if we are tired, to pads straight from the perception of the colored shape to the enjoyment, or of thought. We can easily explain this passage by reference to train of difficult logical inference, whereby, having regard to our previous experiences of various shapes and various colors, we draw the probable conclusion that we are in the presence of chair. Thus colored shapes seem to be symbols for some other elements in our experience, and when we see the colored shapes we adjust our actions towards those other elements. This symbolism from our senses to the bodies symbolizes is

often mistaken. A cunning adjustment of lights and mirrors may completely deceive us; and even when we are not deceived, we only save ourselves by an effort. Symbolism from sense-presentation to physical bodies is the most natural and widespread of all symbolic modes. It is not a mere tropism, or automatic turning towards, because both men and puppies often disregard chairs when they see them.

5.13.4 FALLIBILITY OF SYMBOLISM

There is one great difference between symbolism and direct knowledge. Direct experience is infallible. What you have experienced, you have experienced. But symbolism is very fallible, in the sense that it may induce actions, feelings, emotions, and beliefs about things which are mere notions without that exemplification in the world which the symbolism leads us to presuppose. I shall develop the thesis that symbolism is an essential factor in the way we function as the result of our direct knowledge. Successful high-grade organisms are only possible; on the condition that their symbolic functioning's usually justified so far as important issues are concerned. But the errors of mankind equally spring from symbolism. It is the task of reason to understand and purge the symbols on which humanity depends.

An adequate account of human mentality requires an explanation of how we can know truly, how we can err, and how we can critically distinguish truth from error. Such an explanation requires that we distinguish that type of mental functioning which by its nature yields immediate acquaintance with fact, from that type of functioning which is only trustworthy by reason of its satisfaction of certain criteria provided by the first type of functioning. I shall maintain that the first type of functioning is properly to be called 'Direct Recognition', and the second type 'Symbolic Reference' (Whitehead,Alfred Noth,1861:1947).

5.13.5 DEFINITION OF SYMBOLISM

The human mind is functioning symbolically when some components of its experience elicit consciousness, beliefs, emotions, and usages, respecting other components of its experience. The former set of components are the 'symbols', and the latter set constitute the 'meaning' of the symbols. The organic functioning whereby there is transition from the symbol to the meaning will be called 'symbolic reference' (Beyer and Trice,1988)

This symbolic reference is the active synthetic element contributed by the nature of percipient. It requires a ground founded on some community between the natures of symbol and meaning. But such a common element in the two natures does not of itself necessitate symbolic reference, nor does it decide which shall be symbol and which shall be meaning, nor does it secure that the symbolic reference shall be immune from producing errors and disasters from the percipient. We must conceive perception in the light of primary phase in the self-production of an occasion of actual existence (Moch and Huff,1982)

In defense of this notion of self-production arising out of some primary given phase, I would remind you that, apart from it, there can be in moral responsibility. The potter and not the pot, is responsible for the shape of the pot. An actual occasion arises as the bringing together into one real context diverse perceptions, diverse feelings, diverse purposes, and other diverse activities arising out of those primary perceptions. Here activity is another name for self-production.

5.13.6 LANGUAGE

To exemplify the inversion of symbol and meaning, consider language and the things meant by language. A word is a symbol. But a word can be either written or spoken. Now on occasions a written word may suggest the corresponding spoken word, and that may suggest a meaning.
The written word is symbol and its meaning is the spoken word, and the spoken word is a symbol and its meaning is the dictionary meaning of the word, spoken or written.

But often the written word affects its purpose without the introversion of the spoken word. Accordingly, the dictionary meaning. But so fluctuating and complex is human experience that in general neither of these cases is exemplified in the clear-cut way which is set out here. Often the written word suggests both the spoken word and also the meaning, and the symbolic reference of the spoken word to the same meaning. Analogously we can start from the spoken word.

Further, why do we say that word 'tree'-spoken or written-is a symbol to us for trees? Both the word itself and trees themselves enter into our experience on equal terms; and it would just as sensible, viewing the question abstractedly, for trees to symbolize the word 'tree' as for the word to symbolize the trees.

This is certainly true, and human nature sometimes works that way. For example, if you are a poet and wish to write a lyric on trees, you will walk into forest in order that the trees may suggest appropriate words. Thus for the poet in his ecstasy-or perhaps, agony-of composition the trees are symbols and words are the meaning. He concentrates on the trees in order to get at the words.

But most of us are not poets, though we read their lyrics with proper respect. For us, the words are the symbols which enable us to capture the rapture of the poet in the forest. The poet is a person for whom visual sights and sounds and emotional experiences refer symbolically to words. The poet's readers are people from whom his words refer symbolically to the visual sights and sounds and emotions he wants to evoke. Thus in the use of language there is a double symbolic reference: -from things to words on the part of the speaker, and from words back to things on the part of the listener. When in an act of human experience there is a symbolic reference, there are in the first place two sets of components with some objective relationship between them, and this relationship will vary grealy in different instances. In the second place the total constitution of the percipient has to effect the symbolic reference from one set of components, the symbols, to the other set of components, the meaning. In the third place, the question, as to which set of components forms the symbols and which set the meaning, also depends on the peculiar constitution of that act of experience.

5.13.7 PRESENTATIONAL IMMEDIACY

The most fundamental exemplification of symbolism has already been alluded to in discussion of the poet and the circumstances which elicit his poetry. We have here a particular instance of the reference of words to things. But this general relation of words to things is only a particular instance of yet more general fact. Our perception of external world is divided into two types of content: one type is the familiar immediate presentation of the contemporary world, by means of our projection of our immediate sensations, determining for us characteristics of contemporary physical entities. This is the experience of the immediate world around us, a world decorated by sense-data dependent on the immediate states of relevant parts of our own bodies. Physiology establishes this latter fact conclusively; but the physiological details are irrelevant to the present philosophical discussion, and only confuse the issue. Sense-datum is a modern term: Hume uses the word impression.

5.13.8 PERCEPTIVE EXPERIENCE

The word experience is one of the most deceitful in philosophy. Its adequate discussion would be topic for a treatise. I can only indicate those elements in my analysis of it which are relevant to the present train of thought.

Our experience, so far as it is primarily concerned with our direct recognition of a solid world of other things which are actual in the same sense that we are actual, has three main independent modes each contributing its share of components to our individual rise into one concrete moment of human experience. Two of these modes of experience I will call perceptive, and the third I will call the mode of conceptual analysis. In respect to pure perception, I call one of the two types concerned the mode of 'presentational immediacy', and the other the mode 'casual efficacy'. Both 'presentational immediacy' and 'causal efficacy' introduce into human experience components which are again analyzable into actual things of the actual world and into abstract attitudes, qualities, and relations, which express how those other actual things contribute themselves as components to our individual experience. These abstractions express how other actualities are component objects for us. I will therefore say that they 'objectify' for us the actual things in our 'environment'. Our most immediate environment is constituted by the various organs of our own bodies; our more remote environment is the physical world in the neighborhood. But the word 'environment' means those other actual things, which are 'objectified' in some important way so as to form component elements in our individual experience.

5.13.9 SYMBOLIC REFERENCE IN PERCEPTIVE EXPERIENCE

Of the two distinct perceptive modes, one mode 'objectives' actual things under the guise of presentational immediacy, and the other mode, which I have not yet discussed, 'objectifies' them under the guise of casual efficacy. The synthetic activity whereby these two modes are fused into one perception is what I have called 'symbolic reference'. By symbolic reference the various actualities disclosed respectively by the two modes are either identified, or are at least correlated together as interrelated elements in our environment. Thus the result of symbolic reference is what the actual world is for us, as that datum in our experience productive of feelings, emotions, satisfactions, actions, and finally as the topic for conscious recognition when our mentality intervenes with its conceptual analysis. 'Direct recognition' is conscious recognition of percept in a pure mode, devoid of symbolic reference.

Symbolic reference may be, in many respects, erroneous. By this I mean that 'direct recognition' disagrees, in its report of the actual world, with the conscious recognition of the fused product resulting from symbolic reference. Thus error is primarily the product of symbolic reference, and not conceptual analysis. Also symbolic reference itself is not primarily the outcome of conceptual analysis, though it is great promoted by it.

5.13.10 ORGANIZATIONAL SYMBOLISM

Symbols are the most apparent and observable aspects of organizational life; simultaneously, symbolic behavior is the most subtle elusive. On one hand, businesses, universities, and other organizations proclaim their identity in logos on stationery, newsletters, and even clothing (Dandrige, Mitriff,Joyce,1982). Many create slogans to inspire members, devise rites of passage that mark promotion or retirement (Pondy, Frost, Morgan, Dandrige, 1983), hold ceremonies to publicly reward employee (Peters,1978, Trice 1993) and make heroes of those who epitomize organizational values (Dealand Kennedy,1982). Few organization members or researches fail to notice differences in the size of offices quality of furnishing, parking assignments, and use of titles(e.g., Kanter,1977;Morgan,

1986, pp.176-177). When organizations seek to increase or reduce the effects of hierarchy, they target such emblems of rank (Raspa,1989, p.72). All these objects and activities are consciously, even self-consciously, symbolic.

"Symbols are created and recreated whenever human beings vest elements of their world with a pattern of meaning and significance which extends beyond its intrinsic content. Any object, action, event, utterance, concept or image offers itself as raw material for symbol creation, at any place, and at any time." (Rose, 1962 p.6)

Consider this example. On becoming head of the New York City Health Services Administration, Gordon Chase called in commissioners and senior managers. He asked them what they had been up to recently. Some told him how many meetings they had attended, the number of staff they had hired, the volume of memos they had written, and other bureaucratic activities they had completed. "But whom did you make healthy today?" asked Chase. "Did you make anybody in New York healthier –and how do you know?" chase wished to emphasize the results of services, not the mechanics of running public agencies. "I wanted the right perspective-I wanted my managers to be conscious of the fact that we were there to make people healthier, and not to lose sight of that fact in the daily squabbling that we all had to endure." The agency mission, according to Chase, was to "make government work" by serving people and doing it well (Chase and Reveal,1983, pp. 177-179).

To convey his conception of organizational values, Chase used language, a form of symbolization; that is, words stand for things but are not the things themselves. In addition, Chase's questions meant something other than what they at first seemed to signify; he was not fact soliciting a report but expressing dissatisfaction with existing assumptions and setting forth new rules for behavior. He communicated this not through word alone but through the order of this queries, the repetition of the agency, anything he said or did in such circumstances could be considered a signal of changing values and expectations. Utterances, events, and conditions served as vehicles of symbolic communication and interaction for Chase on this occasion. The symbolic cut through the 'noise' of all the visual, aural, and other stimuli to indicate what is important and meaningful.

Symbols and symbolic behavior evoke emotions (Cohen,1976, p-23). For instance, Hirschhorn (1988,pp.247-248) reports meeting with the representative of research organization who had been delegated to ask him to facilitate a retreat for senior scientists. She told that the scientists "felt under supported and unappreciated and believed that the controller and president were 'nickel-and-diming' the labs to death- she thought the retreat would be a difficult one." Hirschhorn inquire about preparations and was told that everyone was being asked to bring a brown-bag lunch. "Having heard that major presenting complaint (the ostensible issue or problem) was 'nickel-and-diming," I urged her to tell the president that it would be better to provide lunch for the retreat." He reminded the representative that participants had to do difficult and emotional work; "they would appreciate such a symbol of support," he said. She hesitated, contending that the president might never agree. "Puzzled and irritated, I realized that I was experiencing the same feelings that bothered the scientists of the company," writes Hirschhorn. "So the president, even before I met him and before I even had a contract, was nickel-and-diming me to death as well!" although trained in psychodynamics, traditional expressions "brown bag it" and " nickel-and-diming" immediately aroused his emotions and colored his perceptions.

Symbolism not only affects how people perceive events, but it also influences actions. Berg and Kreiner(1990) argue that corporate architecture symbolically conditions organization members' behavior: "Churches elicit religious behavior even in the people who are not religious. Likewisw, clean rest-rooms have been claimed to elicit tidier behavior amongst users. Moving from the conference table to the easy-chairs in the executive suite often produces less formal interaction"(p.46;see also Forrest,1988,pp.116-159). To illustrate the relationship between architecture and management philosophy Berg and Kreiner mention a West German insurance company's building; the company president ordered a staircase design to, in his words, "encourage ambition and provide a visual image of our organizational structure"(p.52). This contrasts with a Swedish company's flat

design for headquarters; the lack of pinnacles and towers expresses an egalitarian philosophy and, in its symbolic capacity, is intended to discourage behavior toward hierarchy.

5.13.11 SYMBOL AS REFLECTION OF ORGANIZATIONAL CULTURE

Organizational culture has been construed as a network of meanings or shared experiences and interpretations that provides members with a shared and accepted reality (Pettigrew, 1979; Schein, 1990; Trice & Beyer, 1993). In their first function symbols provide a tangible expression of this shared reality (Dandridge, Mitroff, & Joyce, 1980).

At the level of the psyche, Freud identified the symbols in his patients' dreams as reflections of their underlying fears and psychoses, arguing that these are important cues for psychotherapy (Freud, 1989). The idea is that symbols reflect underlying values or realities. It is commonplace in disciplines such as anthropology to study cultures through their symbols (Geertz, 1973). This idea has also been applied to organizational culture (Trice & Beyer, 1984; Schein, 1983). Schein (1990) specifically identified symbol as the first layer of culture, comprising the observable artifacts that make up the sensory experience of the organization. Gagliardi (1990: 568) concluded that symbols "enable us to take aim directly at the heart of culture" because they represent and reveal that which is tacitly known and yet unable to be communicated by an organization's members. Thus, in the first function of symbols, members make meaning from them. Looking at obvious physical manifestations of an organization can tell us more than we might suppose.

The intuitive yet powerful association between symbol and culture is evident in this news story about toys in the workplace.

A 3-foot toy blimp was enough to persuade Web site developer Eva Bunker, 26, to take a job at a start-up company in Dallas instead of at a more established business. The blimp arrived while she happened to be visiting, and employees started screaming with delight (Aubrey, 1998: A8).

In this story Eva Bunker, as a potential employee, read and interpreted the toy blimp as a symbol that reflected the company's values. The symbol tipped the scale of her employment decision.

Thus, symbols can tell us much of what we know about organizations. As the tangible, sensory, felt experiences in organizational life, symbols are a way to understand the organizations they reflect. Through sensing of symbols we come to feel as if we know the organization. This process may suggest that symbol helps bridge the gap between feeling and thought in organizations. Symbols spark feelings (Takahashi, 1995) and work to make feelings outwardly discussible and objectively real (Sandelands, 1998). Because of processes of aesthetic interpretation and sense making, the emotional experience sparked by symbols leads to a cognitive understanding of the organization (e.g. Dean, Ramirez, & Ottensmeyer, 1997; Gagliardi, 1990; Weick, 1979). Thus, in their first function symbols are proposed to bridge between members' emotional and cognitive reactions: symbol sparks feelings and helps make those feelings comprehensible.

5.13.12 SYMBOL AS A TRIGGER OF INTERNALIZED VALUES AND NORMS

Research in social psychology has demonstrated that people often act out the roles in which they are placed (Katz & Kahn, 1978). Various types of symbols elicit this behavior. A common colloquialism reflects this dynamic: I put on my "researcher hat" or my "teaching hat," meaning, of course, not that I change my attire, but that I don the behaviors appropriate to that role. In a vivid and tragic example of different behaviors being triggered by different "hats," the engineers who objected to the launching of the Challenger Space Shuttle were told:

Now put on your managerial hat and take off your engineering hat. We need to make a managerial decision (Timmons, 1991).

These alternative "hats" meant making a decision that would be conservative and respect engineering constraints versus a decision that would be risky but committed to the managerial goal of displaying the success of the project (Vaughn, 1996).

Social learning theory (Bandura, 1977) suggests that people learn through association. Behavior therefore comes to be associated with symbols that act as cues in the environment. Berkowitz (1993) and his colleagues demonstrated that angry people exposed to a weapon were willing to administer more punishment than those who didn't see a weapon. When symbols are associated with internal states or feelings, their physical presence can evoke the associated states and feelings. In organizational contexts, a symbol that prompts internalized feelings provides a way to understand and act upon those feelings. Thus symbol serves as a link between feeling, interpretation, and action in organizations.

Rafaeli & Pratt (1993) and Van Maanen (1978) illustrate how a police uniform makes people outside of the police organization accept orders or instructions unquestioningly, even if they have never engaged in social interaction with the particular police officer. Using the notion of dramaturgical interaction with symbol, Rafaeli, Dutton, Harquail, and Mackie-Lewis (1997) examined the everyday decisions that administrative employees made about how to dress at work. Using individual decisions about what to wear to work as interactions with organizational symbol, they found that people in administrative positions navigated their way through the organization using dress. This navigation included placing themselves within and distinguishing between hierarchical levels, distinguishing functional areas, and interpreting relevant organizational events by learning about and complying with appropriate organizational dress codes.

In sum, the second function of symbol builds on the first. In reflecting an organizational culture, its first function, symbol bridges between feeling and thought. In its second function—as an influence—symbol is a bridge from feeling and thought to action. This bridge relies on the feelings and thoughts with which symbols are associated to elicit the behaviors appropriate for the situation.

5.13.13 SYMBOL AS AN INTEGRATOR OF ORGANIZATIONAL SYSTEMS OF MEANING

Dandridge, Mitroff, and Joyce (1980) propose that symbols have a consensual function that allows people to make sense of the organization and to find their place within it. Weick (1979) notes that managers work primarily with myth and symbol in the amorphous role of management. We extend this idea to argue that, in its fourth function, symbol integrates multiple, competing, and potentially even conflicting systems of meaning in an organization. To illustrate, in the following commercial, elegant use of symbol accomplishes an acute sense of integration:

Mr. Richardson dashes into the lobby in a rush. He tells the desk clerk who hands him a cardkey that he must be at a multi-million dollar business presentation in ten minutes, but his shoes are soaked from running through the rain. With a glance from the desk clerk, the bellboy steps up, takes off his own shoes, and scoops up Mr. Richardson's dripping bags, leaving dry shoes at the guest's feet and getting him swiftly on his way.
(Television advertisement, U. S. hotel chain, 1998)

Many of us would love to stay at this hotel, or are at least impressed by the quality of service it provides. How do we know? There are many symbols, but we would probably really like to stay at the hotel because of the shoes. Symbolically, the staff of the hotel will give you the clothes off of their backs (or feet as the case may be). Metaphorically, the shoes are a small but important piece of the hotel's services cape and dress patterns (Bitner, 1992; Rafaeli & Pratt, 1993). The shoes are drawn in the commercial to symbolize the total quality service you can expect to receive from the hotel. More subtly, the shoes are also a symbol of the prestige of this hotel. Note that the bellboy wears the same shoes as an important and high-powered corporate executive. A hotel in which the people in the lowest

levels share a dress code with highly prestigious clients must be an elegant hotel. Hence the shoes symbolize not just service, but also status. Altogether they symbolize the organization.

What we have shown is how one symbol in an advertisement – the shoes – suggests two themes or codes that are key to the operation of a hotel: service and status. We propose that additional symbols in this organization — the cardkeys, the luggage carts, the lobby, the elevators, letter head, receipts, annual reports to shareholders, and images in employment advertising — will also evoke the same two themes of service and status. In the imaginary conversation between the hotel and its audience, the important themes in the life of the hotel are communicated through its consistent use of symbol.
More broadly, symbols—as the physical manifestations of organizational life—help organizational members and observers integrate their experiences into coherent systems of meaning. The physical environment helps people encountering the organization make sense of it as a coherent idea. The fourth function of symbol ties together the first three functions. In the first two functions the physical objects that are experienced by organizational members elicit emotional reactions and guide member interpretations and actions. In the third function, symbol allows communication about these reactions or actions. In the fourth function, as integrators, symbols reveal codes that undergird the organization. These codes are patterns of interpretation and understanding that are shared by organizational members. Thus, the fourth function of symbol in organizational culture is to act as integrator.

5.13.14 CONCLUSION

Our broad message is that an important part of understanding organizational culture is the careful reading and analysis of organizational symbols. Such an analysis needs to examine the emotions, thoughts, and actions that symbols may engender, and the integrated systems of meaning that they convey. This analysis continues previous assertions that when management wishes to create versatile and culturally rich organizations they must attend to organizational symbols (Dandridge, Mitroff, & Joyce, 1980; Dandridge, 1983; Peters, 1978).

Analysis suggests that symbols serve four functions in organizations. They reflect underlying aspects of culture, generating emotional responses from organizational members and representing organizational values and assumptions. They elicit internalized norms of behavior, linking members' emotional responses and interpretations to organizational action. They frame experience, allowing organizational members to communicate about vague, controversial, or uncomfortable organizational issues. And, they integrate the entire organization in one system of signification.

Simple lip service to organizational culture or manipulation of a few symbols cannot suffice, however. We have only briefly noted how each of the four functions can be explored. A serious examination requires both depth and breadth of attention to the multiple symbols that abound in organizations. Analysis argues that organizational symbols have the power to facilitate or hinder smooth organizational functioning. Inattention to the multiple aspects of organizational symbol may lead to the possibility of a lack of shared interpretative codes among organizational members. This is perhaps easiest to see when a product does not match the quality symbolized by its advertising or brand name, and therefore loses out in the market (Aaker, 1994; Schmitt & Simonson, 1997). We argue that this is also the case in relation to symbols like organizational dress, office layout, and servicescape (Bitner, 1992).

The process is dynamic rather than static. A study of symbols cannot consider itself done, because symbols and the meanings people make of them change and adapt. Organizational symbols relate to one another and to the external environment. Organizational members, from customers to competitors to employees to managers, continuously read and respond to the organizational landscape. Without careful monitoring, the study of symbols can become misleading and mal-productive. However, with careful attention to the physical environment and the conversations, thoughts, emotions, and actions of organization members, the study of symbols can provide a deep, rich, and worthwhile understanding of organizational cultures.

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5.14 THEORIES OF POWER

5.14.1 DEFINITION OF POWER

Power is frequently defined as the ability to influence the behavior of others with or without resistance (Wikipedia , definition of power). The process by which we affect the thoughts, behavior, and feelings of another person is called influence. Authority is the right to influence another person. Most individuals prefer to use influence rather than authority to get things done.

Sometimes power and authority is used synonymously because of their objective of influencing the behavior of others. However, there is difference between the two. Power does not have any legal sanctity while authority has such sanctity. Authority is institutional and is legitimate. Power, on the other hand, is personal and does not have any legitimacy. But stilt, power is a crucial factor in influencing the behavior in organizational situation.
During discussions of leadership, the question often arises: "Why or how are leaders able to get followers to follow?"

Definitions of power abound. German sociologist, Max Weber defined power as "the probability that one actor within a social relationship will be in a position to carry out his own will despite resistance." Along similar lines, Emerson suggests that "The power of actor A over actor B is the amount of resistance on the part of B which can be potentially overcome by A." Power appears to involve one person changing the behavior of one or more other individuals -- particularly if that behavior would not have taken place otherwise power refers to A's ability to influence B, not A's right to do so; no right is implied in the concept of power.

At this point it is useful to point out that power refers to A's ability to influence B, not A's right to do so; no right is implied in the concept of power. A related concept is authority. Authority does represent the right to expect or secure compliance; authority is backed by legitimacy.

5.14.2 POWER IN ORGANIZATIONAL POLITICS

To help us understand organizations, we might consider them as political systems. The political metaphor helps us understand power relationships in day-to-day organizational relationships. If we accept that power relations exist in organizations we can use it in recognizing and, ultimately, reconciling competing interests within the organization. Competing interests can be reconciled by any number of means. For example, resorting to "rule by the manager" might be seen as an example of totalitarian rule. On the other hand, politics may be a means of creating a no coercive, or a democratic work environment.
As mentioned, organizations need mechanisms whereby they reconcile conflicting interests. Hence, organizations, like governments, tend to "rule" by some sort of "system". This "system" is employed to create and maintain "order" among the organization's members.

Organizational actors seek to satisfy not only organizational interests, but also their own needs,driven by self-interest.

According to Aristotle, politics stems from a diversity of interests. To fully understand the politics of the organization, it is necessary to explore the processes by which people engage in politics. Consistent with Aristotle's conceptualization, it is a given that, within the organization, all employees bring their own interests, wants, desires, and needs to the workplace.
Organizational decision-making and problem- solving, while seemingly a rational process, is also a political process. Members of a corporation are at one and the same time cooperators

and rivals for the rewards of successful competition Rational models of organizational behavior only explain a portion of the behavior observed.

The successful practice of organizational politics is perceived to lead to a higher level of power Regardless of the degree to which employees may be committed to the organization's objectives, there can be little doubt that, at least occasionally, personal interests will be incongruent with those of the organization. Organizational politics arises when people think differently and want to act differently.

The tension created by this diversity can resolved by political means. In an autocratic organization, resolution comes through the directive: "We'll do it my way!". The democratic organization seeks to resolve this diversity of interests by asking: "How shall we do it?" By whatever means an organization resolves this diversity, alternative approaches generally hinge on the power relations between the actors involved.

Organizational politics is the use of power and influence in organizations. Although many managers feel that politics distracts members from focusing on goal achievement, most also feel that it is common in their organizations and necessary for success as an executive. Political behavior consists of actions not officially sanctioned by an organization that are taken to influence others in order to meet one's personal goals.

5.14.3 INFLUENCE TACTICS

Influence is the process of affecting the thoughts, behavior, or feelings of another person. Influence can be levied upward, downward, or laterally. The four tactics used most frequently are (Lord Acton 1834 – 1902):

(1) consultation,
(2) rational persuasion,
(3) inspirational appeals and
(4) ingratiation.

5.14.3 MANAGING POLITICAL BAHAVIOUR IN ORGANISATIONS

Since politics is inevitable in organizations, the best strategy is to take a proactive stance in managing political behavior in the environment. This can be accomplished through open communication, clarification of performance expectations, participative management, encouraging cooperation, managing scarce resources, and providing a supportive organizational climate (Project Management Institute Pub. Date: September 01, 1996 (chapter 11)).

5.14.4 EMPOWERMENT

Sharing the power within an organization is empowerment. This creates a condition for heightened motivation through the development of a strong sense of personal self-efficacy. The essence of empowerment resides in the four dimensions of meaning, competence, self-determination, and impact. In implementing empowerment, managers should: express confidence in employees and set high performance expectations, create opportunities for employees to participate in decision making, remove constraints that stifle autonomy, and set inspirational goals. Empowerment is multi-dimensional, social, and a process. It is multi-dimensional in that it occurs within sociological, psychological, economic, and other dimensions. Empowerment also occurs at various levels, such as individual, group, and community. Empowerment, by definition, is a social process, since it occurs in relationship to others (Wikipedia; definition of empowerment). Empowerment is a process that is

similar to a path or journey, one that develops as we work through it. Other aspects of empowerment may vary according to the specific context and people involved, but these remain constant. In addition, one important implication of this definition of empowerment is that the individual and community are fundamentally connected.

5.14.5 SOURCES OF POWER

An individual manager may have power derived from any or all of the five bases of power and the manager may use that power in different ways. Therefore, good managers must try to analyse the sources of their power and be careful how they use that power (Gary A. Klein, (chapter 1-2)).

1. Legitimate Power

A person's position within organization provides him with legitimate power. The organization gives managers the power to direct the activities of their subordinates. Legitimate power is similar to formal authority and hence it can be created, granted, changed or withdrawn by the formal organization. The structure of the organization also identifies the strength of the legitimate authority by position location. For instance, higher-level positions exercise more power than lower-level positions in a classical hierarchical organizational structure. Organizations vary in how much legitimate power they grant to individuals. In such organizations, everyone knows who has the most power and few people challenge the power stru**cture.**

The use of legitimate power is seldom challenged in an organization; when a superior asks a sub-ordinate to do something, the sub-ordinate usually complies without resistance. However, the way the superior makes the request and follows it up are very important for ensuring the sub-ordinate's future compliance and the growth of the superior's referent power. Most of these suggestions imply that managers must be sensitive to employees concerns. Managers who are insensitive to their employees may find that their legitimate power dwindles and that they must resort to coercive power.

2. Reward Power

This type of power is the extent to which one person has control over rewards that are valued by another. The greater the perceived values of such rewards, the greater the power. Organizational rewards include pay, promotions and valued office assignments. A manager who has complete control over such rewards has a good deal of power. Manager who uses praise and recognition has also a good deal of power.

The manager, before giving a reward, must be sure that the employee has actually done the job and done it well. Employees must know that they get rewarded for good work.

3. Coercive Power

People have, coercive power if they have control over some form of punishment such as threat of dismissal, suspension, demotion or other method of embarrassment for the people. Perhaps, a manager can cause psychological harm also lo an employee. A manager's coercive power increases with the number and severity of the sanctions over which the manager has control. Although the use of coercive power is often successful in the short run, it tends to create resentment and hostility and therefore is usually detrimental to the organization in the long run.

For some people, using coercive power is a natural response when something goes wrong. But often employees resist coercive power, resent it and losing respect for people using that type, of power. Coercion is now generally recognized to be the most difficult form of punishment to use successfully in an organization

Managers who wish to maintain their credibility should make threats only when they intend to carry through on them and should never threaten a punishment that they cannot bring about. A good manager will be such that the punishment fit the crime. For instance, warning an individual who uses copying machine to make -personal copies but firing someone who steals equipment from the organization. Public punishment makes everyone uneasy and humiliating and hence should be done private.

4. Referent Power

A person who is respected by certain others for whatever reason has referent power over those people. A person with referent power may have charisma and people who respect that person are likely to get emotionally involved with the respected person and identify with, accept and be willing to follow him or her. People with referent power are often imitated by others with the star's actions, attitudes and dress. This imitation reflects the rising star's power over the imitations.

Leaders have traditionally strengthened their referent power by hiring employees with backgrounds similar to their own. One of the most positive and subtle uses of referent power is the process of rote modeling. A respected manager who wants her employees to be punctual, considerate and creative can simply demonstrate those behaviors herself and her employees will likely imitate her actions.

5. **Expert Power**

It is more of personal power than organizational power. Expert power is that influence which one wields as a result of one's experience, special skill or knowledge. This power occurs when the expert threatens to withhold his knowledge or skill. Since any person who is not easily replaceable has more power as compared to those who are easily replaceable. If the sub-ordinates view their superior as competent, and knowledgeable, naturally they will obey and respect the superior. To the extent, that a low-ranking worker has important knowledge not available to a superior, he is likely to have more power.

To gain power from their expertise, managers must make people aware of how much they know. Manager can use his expert power most effectively to address employee concerns. If a particular sales person faces any difficulty in selling a particular product and turns to manager for his help, the manager must be able to identify the defect and must be able to help and educate him.

5.14.6 THE THEORY OF „POWERCUBE“

The power cube is a framework for analysing spaces, places and forms of power and their interrelationship. It incorporates three dimensions of power – levels (global, national and local); spaces (closed, invited and claimed/created); and form (hidden, invisible and visible). Much like a Rubik's cube, the blocks can be rotated in any number of ways (Gaventa, J., 2006, IDS Bulletin, vol. 37, no. 6, pp.23-33).

This note discusses the use of the Power Cube as a means of expanding further on the ideas of power raised in the paper on 'Understanding and Operationalising Empowerment' (Luttrell and Quiroz, 2007). Gaventa's (2003; 2005) Power Cube (see Figure 1) presents a dynamic understanding of how power operates, howdifferent interests can be marginalised from decision making, and the strategies needed to increase inclusion.

It describes how power is used by the powerful across three continums of:

1. **Spaces:** how arenas of power are created;
2. **Power:** the degree of visibility of power;
3. **Places:** the levels and places of engagement.

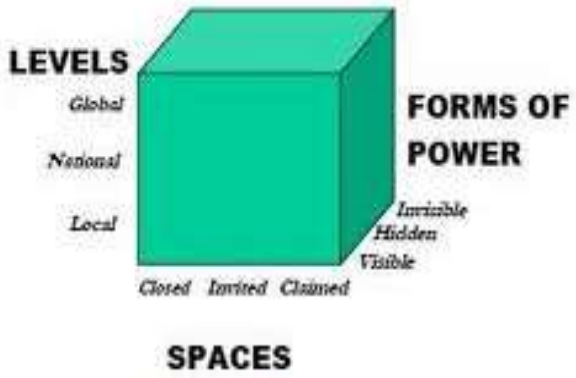

Figure 1 . Gaventa's (2003; 2005) Power Cube

1. By the term *'space'*, Gaventa refers to the different arenas in which decision making takes place, in which power operates and how these spaces are created. He distinguishes between three types:

a) 'Provided' or 'closed' spaces: spaces which are controlled by an elite group.

b) 'Invited' spaces: with external pressure, or in an attempt to increase legitimacy, some policymakers may create 'invited' spaces for outsiders to share their opinions.

c) 'Claimed' spaces: these can provide the less powerful with a chance to develop their agendas and create solidarity without control from power-holders. 'Spaces' are fora for discussion or areas where interactions take place. They can be virtual (e.g. a webbased
discussion) or an actual physical place (e.g. a parliamentary consultation meeting).

The Power Cube helps us to understand these different forms of space and therefore how to use provided spaces better, how to create more invited space and how to facilitate the claiming of space through negotiation.

2. The Power Cube also distinguishes the degree of visibility of power , called *forms:*

a) Visible power: this is the conventional understanding of power that is negotiated through formal rules and structures, institutions and procedures

b) Hidden power: this focuses on the actual controls over decision making, and the way certain powerful people and institutions maintain their influence over the process and often exclude and devalue concerns and agendas of less powerful groups.

c) Invisible (internalised) power: this operates by influencing how individuals think of their place in society and explains why some are prevented from questioning existing power relations.
The Power Cube helps to make the distinction between different dimensions of power and therefore move beyond certain assumptions, such as 'the enforcers of rules are oppressors'. This may enable us to explore the way in which laws and institutions may be perpetuating repressive social norms and values.

3. The Power Cube emphasises the importance of understanding interaction between *levels* of power and the 'places of engagement' and particularly distinguishes between the international, national and local levels or 'places'. It helps us to understand how global forces can be both enhancing and marginalising of livelihoods, depending on the circumstances. By emphasising the various levels, the Power Cube helps us to understand the way in which the local is intimately embedded in national and global 'places'.

5.14.7 ASSUMPTIONS ABOUT POWER

1) Power is not a commodity, a position, a prize or a conspiracy. It is the activation of political technologies and is concomitant with the social body. Power not only operates in specific spheres of social life, but occurs in everyday life. Power occurs at sites of all kinds and sizes, including the most minute and most intimate, such as the human body. Power relations are mobile, non-egalitarian and asymmetrical. We must not expect to find a stable logic in power, or a possibility of balance in its domain.

2) Since power is not a thing, is not control of a set ofinstitutions, nor a concealed historical pattern, the aim of the researcher of power is to discover how it operates. To do this, one must isolate, identify and analyze the network of relations which creates political technologies. It is important to research the level of the micro-practices, from which one may learn how power operates in a social institution on the most routine everyday level.

3) From all the previous assumptions it follows that power is not limited to political institutions as it has been commonly thought. Power has a direct and creative role in social life. It is multi-directional, and operates from the top down and from the bottom up. Although power is at its peak when it is situated inside specific institutions such as schools, prisons or hospitals, we should be wary about identifying technologies of power with particular institutions, because power is neither a superstructure nor a quality of an institution.

4) When disciplinary technologies create a permanent connection with a particular institutional framework, they become productive. This is the positive aspect of power—productive power. This point emphasizes the advantages of efficient technologies of power in many productive domains—economic, industrial, and scientific.

5) Power is a general matrix of power relations in a given society at a given time. No-one is outside this matrix, and no-one is above it. The prisoners and the jailers are subject to the same procedures of discipline and surveillance practiced in the prison, and act within the actual limitations of the prison architecture. Even though all are trapped in the grid of the power relations, there also exist rule and domination: the jailers nevertheless have certain advantages according to the prison rules, as do those who are in charge of them and those who designed the prison.

6) Domination, then, is not the essence of power. Domination does exist, but power is exercised upon the rulers too and not only upon the ruled. For the bourgeoisie in 19th-century
France to turn into a class it had to activate technologies of power upon its members. Technologies of confession, as well as surveillance over life, sexuality, and health, were implemented first of all upon the bourgeoisie itself. Bio-power served as a central strategy in the bourgeoisie's self-creation. Only a century later would the same technologies be activated upon the French working class.

7) In power relations there is intention, but there is no subject. Only on the micro level, the tactical level, does power have intentions. On the strategic level, which includes the complex of power relations, no subject exists.

5.14.8 CONCLUSION

Power refers to the leader's potential capacity to influence others. To actually leverage their sources of power, however, leaders rely on influence tactics. To be successful as leaders, managers need to understand how to use their power and influence tactics effectively. Personal power includes sources of potential influence that managers must develop on their own, such as expertise and referent power. Position power includes what the manager can legitimately ask others to do and the control over

information that comes with a manager's position in the organizational hierarchy. Control over rewards is also part of position power, as is control over punishments and control over the environment (which includes the physical layout, work organization, and work schedules).

Organizational politics involves the use of power and influence for personal gain. Personalities, stage of organizational development, scarce resources, and ambiguous circumstances are all factors that determine the likelihood of political behavior in a firm. Political behavior becomes problematic if the rights or needs of others are abused or if organizational goals are undercut.

Power is often used with other descriptive words. Often power is thought of as a form of control of one person or group over others. In this sense power „over" refers to the ability of relatively powerful actors action to affect the actions and thought of relatively powerless. But power can also be used in a more positive sense, referring to the power to bring about desired change in ones' lives or those of those others. In this sense power „to" refers to the capacity to act; to exercise agency and to realise the potential of rights, citizenship or voice.

Power „within" refers to gaining the sense of self-identity, confidence and awareness that is a pre-condition for action. Power „with" refers to the synergy which can emerge through partnerships and collaboration with others, or through processes of collective action and alliance building.

Discussion :

1 *What are some of the characteristics of an effective relationship between you and your boss?*
2 *Who is the most powerful person you know personally? What is it that makes the person so powerful?*
3 *Why is it hard to determine if power has been used ethically?*
4 *As a student, do you experience yourself as powerful, powerless, or both? On what symbols or symptoms are you basing your perception?*
5 *Which of five types of power has the most potential for abuse? How can the abuse be prevented?*
6 *Under what circumstances is it ethical to manipulate people for the good of the organization?*
7 *Is it possible to have an organization where all power is equally shared, or is the unequal distribution of power a necessary evil in organizations?*
8 *Is it ethical and socially responsible to teach people in the military or other organisation to follow orders withour questioning authority ?*

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5.15 THEORY OF COMPETITION

5.15.1 INTRIDUCTION

Competition appears in various situations in life. We see competition in all around us in very different surroundings and formal and informal ways. People are individually competing against each other in terms of for instance status, education, and relationships - in other words being better than other people in certain matter. As well as individuals, also organizations are competing against each other. It may appear as rivalry between non-profit organizations, political parties, sports teams etc.

It may sound little bit arrogant that there is so much competition throughout one's life. For example, it is questionable that competition starts already in early stages of life: kids are competing who gets the best grades; who is the best in football; who is the most popular kid in school and the list goes on. This may lead to twisted views of life when life gets further if the surrounding world teaches you, that you have always to be best (or at least better than others) in everything what you are doing. Nevertheless, it doesn't change the fact that competition is involved in several parts of life and it has also its purpose.

Especially in business it's good to have this concept we call competition. It is crucial for economic growth and expansion of welfare that competition exists. Competition forces companies and other organizations as well, to improve their technology in production and create new innovations.

For example military forces have to improve its war machinery. Internet is a good example of achievement by competition. In order to get advance against other organizations US military forces created internet. It is without a question a revolutionary invention and nowadays we all can take advantage from it in our daily lives. Of course the ways of using internet has improved rapidly from the time the internet basis was created in 1960s but improvement of the system has helped our daily lives, no matter it was created for military purposes in the first place.

This example helps us to understand the whole picture of importance of competition. It stems positive outcomes, which are not even planned in the first place. Organizations nowadays are more and more dealing with constant change. The keyword of success in future is innovation (Ivanko, 2013 p. 95).
By reading this paper you should be ready to understand why markets are working as they are and what kind of effect competition has on the market. After reading you are also able to recognize different kind of market structures in various industries in real life. Furthermore, this paper should provide to its reader handful advice in recognizing how fierce competition a certain industry is.

5.15.2 DEFINITION OF COMPETITION

The definition of competition in business is traditionally seen as firms rivaling against each other in one industry. The theory assumes that market reaches its equilibrium when firms compete with products or services with its costs against each other. Customers can choose between these options and thus the natural equilibrium is reached by supply and demand (Bengtsson, 2005 p. XI).

For example, a marketplace for vegetables reflects well these kinds of situations. If we assume that the retailers sell exactly same kind of carrots (it could be any kind of another vegetable as well), the prices have to be same for all the retailers. The retailers are *price takers.* Otherwise, if some retailer had higher prices than others, people would buy their carrots from somewhere else (Varian, 2010 p. 397).

If some retailer decides to lower his prices a little bit in comparison to others, the costs of producing carrots would be too high for produce carrots and it would be unprofitable in the long run and respectively, it would be more efficient to produce something else. On the other hand, if the small reduce in the price of the carrot wouldn't make the business unprofitable, the other retailers must

follow the movement of the prices also to maintain their sells. Thus, the equilibrium will emerge little by little (Varian, 2010 p. 3-17).

The theory includes that if someone notices that the common price level is higher than equilibrium and there is free entry to the market, he can join it and sell the carrots with lower price and the others must follow the new prices to remain their sells because otherwise all the people would buy from the new seller. In other words, the customers would naturally change their retailer to cheaper one.

One of the most known pioneers in economical field, Adam Smith showcased this situation in his well-known book *The Wealth of Nations* already in the year 1776. He introduced the concept of *invisible hand* which navigates the market to the right balance of supply and demand - the equilibrium. Competition allocates the resources in an efficient manner (Smith, 1776).

It's obvious that for a retailer it's necessary to keep his production costs (or manufacturing costs, service costs etc. depending on industry) as low as possible. Lower costs lead naturally for bigger profits. In other words, competition keeps the market healthy, when no company can price its goods higher than another. This is good for costumers and also good for the economy itself. However, there is a point where the costs cannot be lowered anymore because the factors of production (for example, wages, energy costs and raw materials) will make some costs in one way or another.

There is still always one way to lower the costs apart from reducing costs of factors of production and that is improvement of technology. Good examples of new technological improvements are for example electricity, trains (and other ways of transportation), computers and internet. Improvements allow producing goods become more efficient. New technology completes or replaces old technology which naturally lowers the costs. Companies are eager to improve constantly their production chains in order to maintain their competence in comparison to other companies. For a company it is crucial to be cost-efficient, otherwise it won't survive in the long run (Bengtsson, 2005 p.31).

5.15.3 PERFECT COMPETITION

However, competition in most markets isn't as simple as mentioned above. These mentioned theories require factors of *perfect competition* in the market. Perfect competition is a concept describing a market, where there are listed several assumptions of conditions related to market. Assumptions include different kind of rules, for example: companies and people (e.g. consumers) are perfectly rational; there are no entrance or exit barriers to market; perfect information in the market; homogenous products; no taxes etc. Perfect market is considered more as hypothetical term and it's usually not meant to be used in as it is in practical cases. Its main idea is to help us to understand the price mechanism in economics (Taloussanomat, 2013).

It would be nearly impossible to find a product which market would be close to this kind of situation - a vegetable market makes it pretty close though. Nevertheless, describing a concept of perfect market isn't useless, because it's important when we are considering of making new theories about behavior in the market and in situations related to people choosing their goods.

5.15.4 IMPROVING COMPETENCE IN ORGANIZATIONAL LEVEL

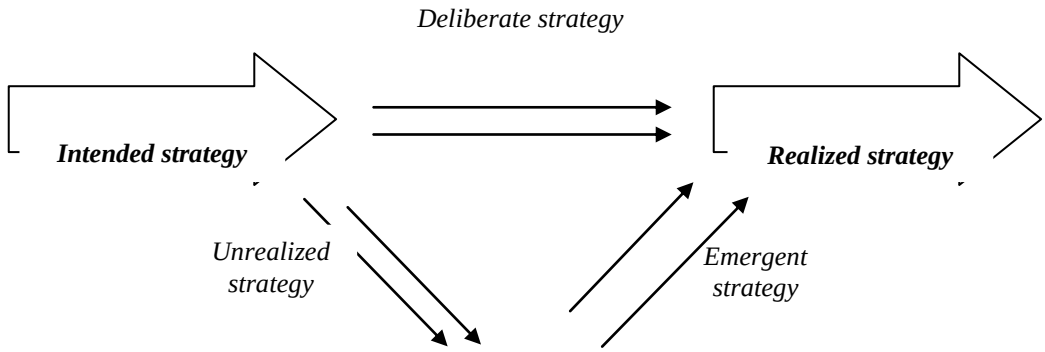
In order to maintain the competence of a company, it's natural that the decision-makers have to make actions. For decision-makers it's essential to know how the organization distinguishes itself among the others and which actions should be done in future to improve it in comparison to rivals. In other words, new strategies have to emerge (Bengtsson 2005 p. 33-34).

It is needless to say that it's very important that the new strategies are put well on practice in the whole organization that every individual employee - not just the board of directors -will be adapted to it.

However, according to Mintzberg (1988), it's highly probable that the planned strategies will change when they are put to use. That's due to that people are always individuals and more or less rational, there will always be some misinformation and misunderstandings among the organizational levels. Moreover, when a strategy is in practical use, organizations can see if it is really functional and adjust it when needed. It is of course very important that organization takes care that its every level will be kept up to date what changes there are made in the strategy (Bengtsson, 2005 p. 34).

Mintzberg and Waters (1984) have stated that there's a recognizable pattern when an organization is putting a new strategy to use. The intended strategy (planned by the decision-makers) will be partly replaced little by little with emergent strategy, while part of intended strategy still remains. The emergent strategy will appear, because usually the organization detects some problems with the original strategy which are not taken into account when the strategy was planned. It also may occur that the strategy is realized in different ways among the employees and just simply misunderstood. This highlights that even the biggest organizations are just big groups of individuals.

Figure 2: Change in a strategy during when put in execution



Source: Mintzberg & Waters, 1984, p.258.

The figure may make it bit easier to realize how the process works. It is definitely not meant to be considered that the realized strategy would be worse than the first intended strategy. Actually the emergent strategies are very important in order to make processes function in a right manner when people notice that some parts are malfunctioning in the new strategy. Still, it is highly important to keep in mind that the strategy should be always explained to every single individual who is involved in it because each individual has a big impact on the organizations performance and how organization is visible in for the public audience (Bengtsson 2005 p. 35-36).

5.15.5 THEORY OF FIVE FORCES MODEL IN COMPETITION

For a company it is important to recognize all the factors which are having effects on the market. Especially it's important for existing companies, new entrepreneurs who are searching for challenges or which are trying to expand their business to new areas. One of the most known tools about defining the current status in certain industry is the *five forces model of competition* showcased by one of the most influential professors in the field of strategy, Michael Porter (1990) (Young, 2011 p. 326).

Figure 3: Porter's five forces of competitive intensity according to Young (2011)

As mentioned above in the figure 2.1, the five forces in Porter's theory are barriers to entry to the market; substitute goods; the power of buyers and the power of suppliers. These factors are defining the current competitive intensity in the market itself. (Jeyarathnam, 2011)

5.15.5.1 Specific characters in five force model

It's naturally good for a company which is already in the industry and bad for new entrepreneurs if there are *barriers for entering* the market. These kinds of barriers six sources: economies of scale (the more you produce, the cheaper it gets per new product), product differentiation (Macbooks vs. PCs), capital requirements, cost advantages, access to distribution (for example medical cannabis) and government policy (legislations for instance in gun industry) (Young, 2011 p.327).

Concept of *substitute goods* is simple. With threat of substitute goods means that it's a threat for industry if another industry begins to offer something similar than the other and which satisfies customers' need in same way. For example, the emerging tablet computer industry is a serious threat for paper industry when tablets have removed need for cellulose. Since people have had chance to subscribe their newspapers electronically, they have more and more given up subscribe the traditional newspapers made out of paper (Jeyarathnam, 2011 p. 73).

The power of costumers, in other words, the *power of buyers* is referring to buyers' influence of demanding better products and quality. Buyers are especially powerful when they are highly concentrated, if the purchase of the product isn't crucial or really important for them, if they driven the suppliers to have price cuts; or if they are buying just commodities or components (Young, 2011 p. 326).

With the *power of suppliers* Porter is referring to suppliers' ability to either raise the price of supplied product or reduce the quality of provided product. In other words this means decreasing profitability

for the company in the industry. The power of the suppliers depends on how many of suppliers there are; the uniqueness of their offers; are they competing against each other, are they threaten forward integration or are they important for the buyers (Young, 2011 p. 327).

5.15.5.2 Five forces model in practice

The purpose of this tool called five forces model is that it prevents decision-makers of doing decisions which are mainly based on too weak basis. Model gives a quite comprehensive insight to industry (if done well) and gives strategic guidelines for further actions if company decides to take part in industry (Young, 2011 p.327-328). It's also good tool for those companies which have been in some industry for longer time: it's good to be up to date about situation in their own business.

On the other hand the model might be dangerous as well, if the factors of the model are not considered carefully and in a blink of an eye. In these kinds of cases, the tool may actually turn against itself (Young, 2011 p. 328).

It's naturally easier for an entrepreneur to start a business to an industry if the *competitive intensity* isn't tough. When the intensity is low, the companies are usually able to raise prices. Alternatively, if the competition is fierce the prices tend to be low (Jeyarathnam, 2011 p. 73).

5.15.6 FORMS OF MARKET STRUCTURES IN INDUSTRIES

The type of the market depends remarkably on competition and the structure of the market. Let's recall a situation mentioned previously in the chapter 1.1. In a big vegetable market we can suppose that there are lots of retailers in the market. The products (carrots) of the retailers do not differ from each other. Assuming that the consumers are making their decisions rationally, we can draw a conclusion that no retailer can ask a higher price for his carrots than any other. The example given is ought to be ruled by the terms of perfect competition.

5.15.6.1 Monopolistic competition

In real life in business the situation is usually quite different - more or less. Companies in one industry are usually selling same kind of products but with *differed* features. Even in the example considering carrots we can take into account some differences between carrots, for instance there may differences like: some carrots may be imported, others are organic, some carrots have good/bad quality, there are different carrot cultivars and so on. So when there are several businesses in the market competing with same kind but at least slightly differed goods, the competition is considered to be *monopolistic* (Thompson, 2001 p. 224). Monopolistic competition is probably the most prevalent type of industry structure (Varian, 2010 p. 478).
We can approach this concept from another point of view. We all know that Coca-Cola Company is the only company which can offer us the original Coca-Cola. There are still several other options which we as consumers see as kind of same degree substitutes for cola drinks: Pepsi, Dr. Jolt Cola, Cockta and so on.

Coca-Cola has naturally to compete against these brands despite there's only one "one and only" *Coca-Cola* in the market. However, monopolistic competition allows each company to price their soft drinks according to their own consideration. Coca-Cola is the most popular cola drink in the market and Coca-Cola Company can - and actually have to - ask for a bigger price in order to maximize their profit.

5.15.6.2 Oligopolistic competition

Like in monopolistic competition, in *oligopoly* there are multiple companies in the industry offering same kind of product with more or less differed features. Nevertheless, in oligopoly there are only few competitors in the industry which altogether control a significant share of the market. Essentially, each one of these big competitors can have at least some kind of to power price of its goods which has an effect on the whole price index in the market (Varian, 2010 p. 497).

For example, in accounting business there is one group of four companies: Delloitte, Ernst & Young, KPMG and PwC. Altogether they are creating an oligopoly. As a group they are so remarkable that the media have given them their own name: the *Big Four* (The Economist, 2011).

Situation of oligopoly is more or less harmful for the consumers (Thompson, 2001 p. 246). In short, small amount of companies offering one certain product lets the companies have some power to set up the price higher than it would be in monopolistic circumstances. A *cartel* consists of two or more companies, which have decided to reduce their output in order to get higher profits with less input. Legislations and different trade agreements widely forbid these kinds of contracts. The Organization of Petroleum Exporting Countries (OPEC) is widely considered to be a cartel (BBC, 2008; Thompson 2001 p. 9).

5.15.6.3 Monopoly

When there is only one company in the industry, the situation is called *monopoly*. In this situation it is very likely that the company will produce a good less than people would ask for it. This is due to company maximizing its profit: it's actually more affordable to produce less (reduce costs) and ask for higher price from the smaller amount of goods. Monopolies are usually very profitable for the companies if they manage to achieve such a situation (Varian, 201 p. 439).

Industry is usually working inefficiently when it's in a monopoly situation from the consumers' point of view. The consumers won't get the possible amount of utility out of the goods because the amount of produced goods of profit maximizing monopoly is not defined by supply and demand. There also may appear *natural monopolies* due to cost advantages in a certain industry (Thompson, 2001 p. 224).

Monopoly situation may actually turn out to be bad for the company itself: lack of competition doesn't really encourage a company to develop products or lower its costs in production. Government can do actions which make monopolies pricing policies fairer for consumer by setting price ceilings (Varian, 2010 p. 491).

5.15.6.4 Monopsony

Monopsony is bit different kind of concept in comparison with the examples mentioned above. In monopsony there is only one buyer in the market. Monopsonies are quite rare in real life, but we can consider that especially in labor market there might appear monopsonies. Also, this situation may occur also in goods market: for example in case of sophisticated weaponry: because of legislation (and virtual demand) the only buyer of battle tanks may be the state army (Varian, 2010 p. 491).

Like in monopolies, government or labor organizations can intervene in monopsonys. For instance, in labor market government can set minimum wages (Varian, 2010 p. 491).

5.15.7 SUMMARY

Competition is a wide concept. A success-orientated company should always have good management and decision-makers to create and maintain company's profits and status in the market. Decision-makers should be capable to verify company's strengths as well as weaknesses and also be able to create new innovations all the time. Competition is getting more and more tougher nowadays so it's not easy to struggle in markets.

It's crucial for leaders to have knowledge around all fields in economics: finance, management, marketing etc. to be succeeded in market. Concepts like monopolistic competition and differentiation are very important to know in order to keep the rivals behind.

Competition itself is very functional matter. It has good outcomes - competition allocates recourses in a surprisingly well manner, and after all, it guides companies to produce goods just the amount we as consumers need. In comparison with *planned economy*, in which the production quantities are not decided by markets, the amounts of goods produced are inaccurate and the whole economy is thus inefficient.

Competition in the market (versus planned economy) has also a huge impact on economical growth; it's almost ridiculous to compare economies like for instance North Korea and Sweden. In addition, the economical growth has been very rapid for instance in Russia after Soviet Union's collapse ca. 20 years ago.

Still it is important to take into account criticism towards more and more fierce competition. The world is getting competitive all the time and next generations will be born competition-centered world and that is not necessarily a good thing. The increasing competition might have an effect on (especially young) people's opinions about life and themselves. It's important sometimes to remind ourselves that in the individual level and social life there are much more important things than being the best of the best.

Discussion questions

- In which fields of life you think it's important for you to have competence?
- Which industries you consider being very competitive these days in your opinion?
- In order to maintain and improve company's competence, which features should good decision-maker have?
- Exists there any monopolies in your home country?
- World is getting more competitive all the time. Do you think that competition in life is getting tougher and what do you think about it?

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6 INTERNATIONAL ORGANIZATIONAL BEHAVIOUR

6.1 INTRODUCTION

In this study, we will focus on the implications of internationalization on organizational behavior. Since globalization has been a popular buzz-word for the past decades and it has been the centre of many research topics quite extensively. The general consensus on the importance of globalization as a phenomenon is well justified. The development of information and communication technologies has accelerated the transmission of information and global economic structures in a hitherto unthinkable way. The world has become a smaller place so to say, with a Western-flavored global culture extending to all parts of the world.

These trends have also influenced corporations and organizational procedures in a profound way. Companies are becoming more global and international by their own choice and also forcibly just to stay alive in the intense competition and pressure. Companies are placing production in different locations and recruiting a more and more diverse workforce. All these changes are also having an effect on the organizational behavior of a company. The importance of recognizing these issues of multiculturalism within an organization are paramount for the implementation of a coherent, comprehensible and motivating organizational atmosphere.

In this study, we will try and illuminate these before mentioned issues. We will also look upon the cluster systems of organizations. More profoundly on the issue of internationalization within organizations, we will introduce Geert Hofstede's model of cultural characteristics. With some original data by Hofstede, we will briefly examine the implications of his model through a case example. We will also do a critical reading of Hostede's theory and introduce critique for his research. In the end of the paper, a conclusion and further questions are presented.

From the point of view of the reader, the objectives of this study are to:

- Define cluster systems of organization
- Introduce international organizational behavior
- Discuss Hofstede's model of cultural characteristics

After reading this chapter, the reader should be aware of how organizations are divided in to clusters in different ways. The reader should also be familiar with the ways in which organizations are becoming more and more international and diverse. The reasons for these trends are also a learning objective. Furthermore, a critical reading on the Hofstede-model is the main focus of this paper. The reader should be aware what this model is about, how it works, what it is based on and what are its strengths and weaknesses.

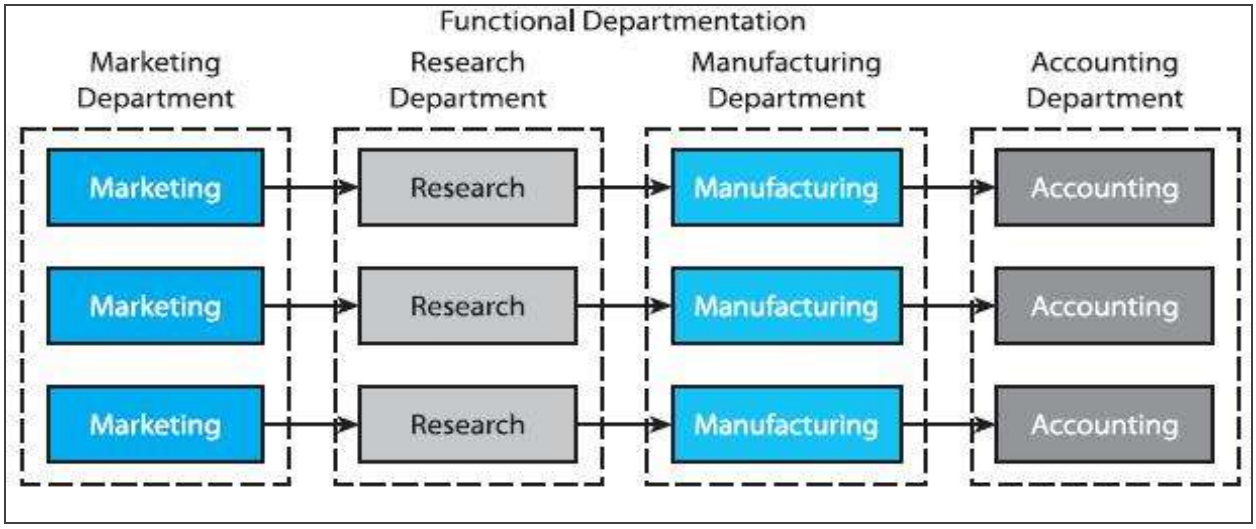
From a research point of view, the purpose of this study is to give general insight into the aforementioned issues. This study is not intended to be an extensive research on the vast topic of international organizational behavior, but rather a desk study on the basic concepts and further research questions regarding these matters. Our general interest is to reveal what international organizational behavior is and why it is important. A research question for this study could be: what is international behavior and why is it important to managers?

6.2 DEFINITION OF CLUSTER SYSTEMS OF ORGANIZATION

In order to manage its operations in the most efficient manner possible, managers need to make decisions on how they are going to divide production and tasks in to different teams and clusters. The group formation is mainly based on the interrelatedness of different tasks (Wagner, J. & Hollenbeck, J., 2010, p. 244). A basic division between the forming of clusters in to organizational systems can be defined as functional departmentalization and divisional departmentalization.

Functional departmentalization forms clusters according to the given functions. As displayed in the picture below, different clusters can be formed based on the respective tasks at hand. It is more cost efficient to form groups according to functions so teams of similar expertise can exchange information fast and effortlessly (Ibid.). In this manner, employees can learn from each other and develop their skills together. In this form of departmentalization, managers can also effortlessly reassign redundant employees to elsewhere in the firm (Ibid.). The downside to this kind of departmentalization is that it is rather inflexible when changes in the production line are required. An unexpected change to a production unit would require the reconfigurations in all of the clusters.

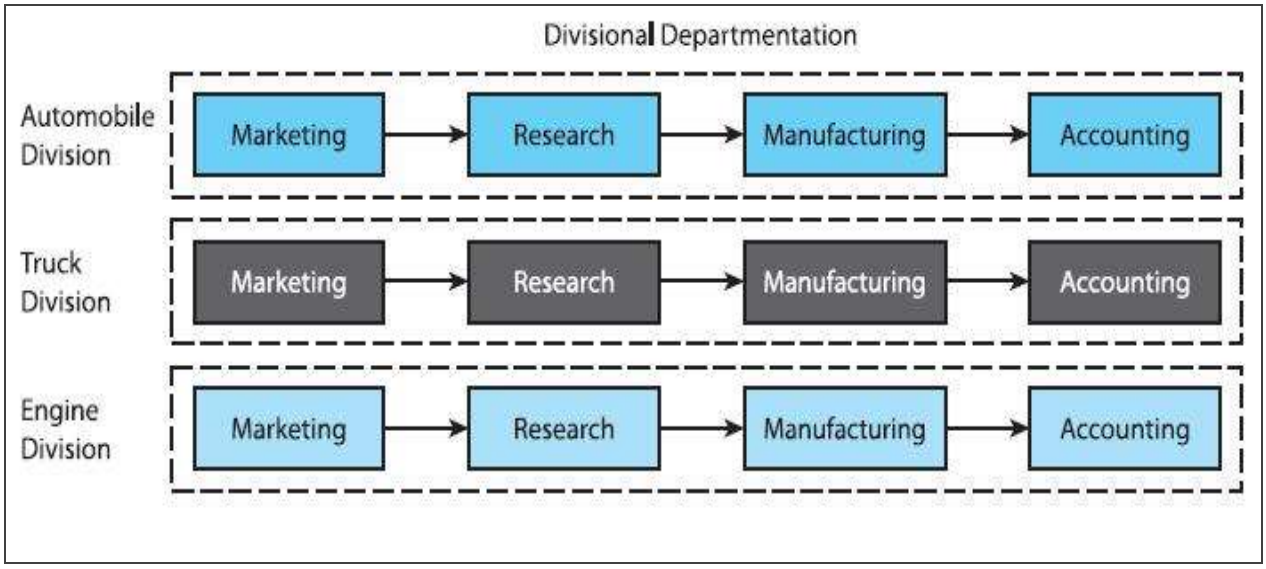
Figure 6.1: Clusters according to the given functions



Source: Wagner, J. & Hollenbeck, J., 2010, p. 244.

In contrast to the rigidness of functional departmentalization, divisional departmentalization is based on the work flows of the organization (ibid.). Clusters of production are formed according to the units of production which allows a more unit-centralized orientation on cluster formation. This is a beneficial choice for manager is cases which require a high level of tailoring of products. The division according to products ensures that production lines are concentrated on their given task and want to do well in their own branch of production. The truck division of a automobile company wants to stay competitive in its own right and can carry its own responsibility in doing well within the truck market.

Figure 6.2: Clusters according to the given divisional departmentalization



Source: Wagner, J. & Hollenbeck, J., 2010, p. 244.

6.3 INTERNATIONAL ORGANIZATIONAL BEHAVIOUR

To tackle the issue of international organizational behavior, we have to first try and define what being international actually means and how does a company reach this status. Basically internationalization can happen through two respective ways, or in many incidences, by both. In the context of organizational behavior, internationalization would implicitly mean the diversification of the workforce of a company in terms of nationalities. In contrast, interculturalization could also be an applicable term with different emphasizes. As a term, intercultural would be more comprehensive and go beyond national definitions to all fields of culture and cultural behavior. Intercultural behavior would also consist of religious, gender, sexual orientation and different cultural sub-genres which would diversify and alter a homogenous workforce and culture. Instead, internationalization refers to the differences in nationalities and supposed national cultures.

On the notion of internationalization, organizations tend to develop through the location of its production in different nation-states. A company can haul resources in Congo; do low-end manufacture in Taiwan and the high-end configurations in Germany, while exporting their products to American customers. Such a chain of production is bound to diversify the company's workforce even if in the confines of respective units. Nevertheless, these units have to exchange information to go about their daily business which would result in transnational encounters. Furthermore, different non-commercial organizations the likes of the EU and the World Trade Organization are international by definition. The organization might be centralized in one location (e.g. in Brussels) but the workforce would comprise of a multitude of nationalities. Such organizations are bound to have an international set of employees which makes it paramount for managers and colleges alike to be aware of differences in national cultures which affects organizational behavior.

An alternative road for internationalization happens rather naturally through migration and areas of free movement as in the EU. People with various backgrounds are settling in economic hubs which provide work in all sorts of fields of qualifications. Some companies are keen to hire people with diverse background so they are in touch with the ever diversifying field of consumers. It is also beneficial to hire people who can converse in different languages. An international team of workers

does however have its share of challenges as cultural differences can result in misunderstanding or conflicts. A competent manager would be able to act as an intermediate between people with different backgrounds and able to set an organizational atmosphere where all feel included and motivated to work. It is sometimes important for manager to modify their management practices from one cultural context to another (Wagner, J. & Hollenbeck, J., 2010, p. 309).

Historically speaking, internationalization is not a recent out-of-the-blue phenomenon as it has been happening for a long time now. Globalization has been an ever accelerating trend notably after the WWII as Western-led economic development brought a long a time of neoliberalism which saw the eradication of trade barriers in most parts of the world. This tendency ever exceeded to new places in the world after the end of the cold war. Direct foreign investments and production placement in locations overseas is common for medium and bigger sized companies. Nowadays, many companies are globally minded right from the beginning and comprise a multicultural workforce even if it is located in only one place. Therefore, differences in cultural characteristics are relevant for managers, as highlighted in the research by Geert Hofstede.

6.4 HOFSTEDE'S MODEL OF CULTURAL CHARACTERISTICS

Geert Hofstede is a well recognized Dutch researcher who is best known for his study on cultural characteristics. The research by Hofstede was originally conducted in IBM offices in 50 different countries, in three different regions at two points of time and it comprises of 116,000 questionnaires (Hofstede, G. 1983). His study is mainly interested in how national cultures differ in relation to one another. In his research, Hofstede defined four different dimensions of culturally laden behavior which can be applied to predict and explain organizational behavior. Hofstede's model includes uncertainty avoidance, masculinity–femininity, individualism–collectivism, and power distance (Wagner, J. & Hollenbeck, J., 2010, p. 309). The four dimensions were later expanded with one more dimension by the Canadian researcher Michael Bond. This fifth dimension is called long-term/short-term orientation. Hofstede's model is today known to consist of these five dimensions (ibid). The dimensions are displayed numerically: the higher the measurement - the stronger the given dimension.

Uncertainty avoidance

This dimension tries to explain peoples' ability to deal with ambiguous situations with little direction for the future. At one extreme, people with a low reading in uncertainty avoidance feel comfortable when facing vagueness in their lives. For them life is inherently uncertain, taking risks is a part of life, deviation from the norm is acceptable and life shouldn't be restrained by unnecessary rules (Wagner, J. & Hollenbeck, J., 2010, p. 310).

In the other end, cultures with a high level of uncertainty avoidance feel threatened when lacking predictability in life. For these people, having a stable and secure life is important, deviant thoughts and people are dangerous and rules and norms are important for keeping life predictable (Ibid.).

Masculinity-femininity

According to Hofstede, cultures differ in their relation to aggressiveness and competition, in comparison to interdependence and affective behavior. In masculine cultures dominance and physical strength are admired, sex roles should be clearly defined, people live to work and individual success is thought highly of. Masculinity regards competition as a natural part of life (Wagner, J. & Hollenbeck, J., 2010, p. 311)

In contrast to masculine cultures, feminine cultures tend to favor interdependence and harmony. In feminine cultures consensus is the main way of decision making, quality of life is important and sex roles are not so strongly defined, allowing sexes to mix-up also in different work fields. Helping others and shoving emotion are taken as positive traits (Ibid.).

Individualism-collectivism

The dimension of individualism-collectivism is considered with the tendency to satisfy personal needs or collective needs. In cultures of high individuality, pursuing for individual interests is important on personal level and also for the whole society. Success is heralded as a personal achievement, and people are responsible for the quality and security of their own lives (Wagner, J. & Hollenbeck, J., 2010, p. 311).

In cultures which are more collective, the common good should go ahead of the individual needs. Success is something which is achieved together, belonging to different groups is important and departing from these groups can result in a lot of stress and dissatisfaction (Ibid.). For example, China would be a heavily collectivistic culture with the score of 20 (supposedly out of 100) in individualism (http://geert-hofstede.com/china.html).

Power distance

Power distance is mainly a dimension which tries to explain how natural the unequal distribution of power is regarded in the subordinate levels of society. In societies with a high score in power distance, values and norms influence power to be hierarchically divided. Some people are superior to others they have the right and authority to implement their power over others. Notions of good and evil are irrelevant regarding power, and people are considered to be different based on their position on the societal ladder (Wagner, J. & Hollenbeck, J., 2010, p. 313).

Societies with a low reading in power distance regard people as inherently similar despite their professions or access to power. Everyone in the society should have the same rights and freedoms, and subordinates should be treated in similar fashion to the more powerful members of the society. Norms and values should define peoples' ability to influence others as minimal (Ibid.).

Short-term/long-term orientation

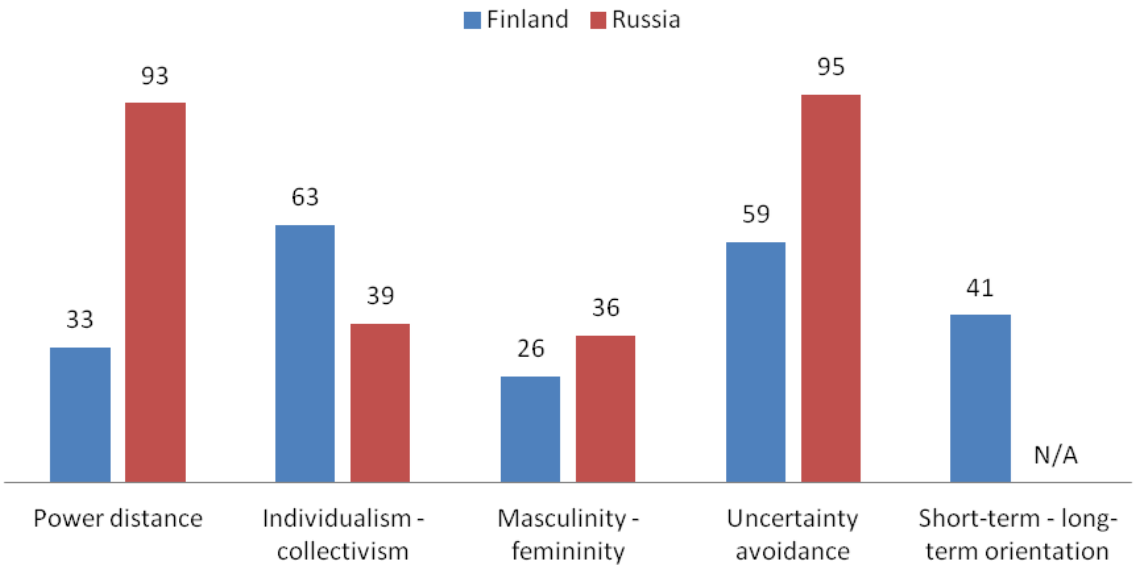
The fifth dimension which was added by Michael Bond is based on the teachings of Confucius. The dimension basically deals with a cultures orientation towards the recent past or the distant future. In cultures of short-term orientation, imminent satisfaction and consumption are favored over more unpleasant tasks. It is important to respect history and traditions, and short-term orientation insists on halting failing activities rather than seeing them through (Wagner, J. & Hollenbeck, J., 2010, p. 313).

In contrast, long-term orientation is fixed on the favorable outcomes of activities in the future. Societies with a high score in long-term orientation prefer to look ahead and envision the future. Taking unpleasant tasks for later rewards is more common than in cultures of short-term orientation. Perseverance can overcome adversities and resources should be saved for the days to come (Ibid.).

6.5 AN EXAMPLE OF HOFSTEDE'S MODEL

Hofstede's model of cultural characteristics is an easy numeric representation of the aforementioned dimensions. As Hofstede's model is interested in comparing different cultures, this study will follow in his footsteps. We will introduce the data concerning two cultural contexts which differ to a relatively great degree. We will than elaborate this data and give possible explanations to the results in different dimensions.

Figure 6.3: Cultural characteristics



Source: Data retrieved from http://geert-hofstede.com/) The fifth dimension was not available for Russia.

Based on these measurements, and Hofstede's descriptions of the dimensions on cultural characteristics, we can say that Russia and Finland differ culturally from one another to a relatively great degree. Starting with power distance, it is clear that Russia and Finland represent the opposite ends of this dimension. In Russia, the unequal distribution of power is a natural characteristic and part of life. This can probably be explained by the geographical hugeness of Russia and its centralized forms of governance, today and in the past. In contrast, Finland can be regarded as a rather equalitarian society with high social mobility, small population and modesty as a virtue in social relations. An executive in Finland might mingle with the lower-level employees as casually as with the manager-level personnel.

Regarding the individualism-collectivism dimension, Finland and Russia are much closer to each other with Finland being slightly more individualistic. This might be due to the traditional differences in when defining family relations. In Russia, grand-parents are referred to as parents just like to the actual guardians of a child. In Finland this is not the case and only the first guardians would be understood as the parents of a child. The individualistic nature of Finnish society might also be down to its wide dispersion of people in ratio to its geographical space. In Finland people have a huge respect for other peoples' personal space, while in Russia a closer proximity would be taken as normal. Finnish people are therefore easily categorized as unsocial or distant, but it is also a form of respecting other people and their privacy.

The masculinity-femininity dimension is also rather in the same direction with Russia being more masculine as a society. The Finnish tradition of equal rights for women and men might explain this dimension, as Finland heralds 42.5% of the parliamentary seats occupied by women and a former female president of 12 years (The Guardian, 2012-03-07). It is also common for men in Finland to do household work as much as women, as it was recently published in a research that men in Finland actually do 50% of the household chores. Besides gender roles, the attitudes towards sexual orientations are more liberal in Finland. In the recently held presidential elections, the runner-up candidate in Finland was Pekka Haavisto, an openly gay politician who is in a registered relationship with another man from Ecuador (The Guardian, 2012-02-03). In contrast, in Russia the attitudes towards same-sex relationships are far more conservative with its condemnation by the Orthodox

Church. In Finland it is also common for men to take parental leaves when a baby is born in to the family and let the mother of the child to go and contribute to her work.

Concerning uncertainty avoidance, the distinction is far clearer with Russia as the highly uncertainty avoidant culture. This might be explained with Russia's long history of powerful rulers and forms of governance which have tried to bring uniformity to the state. Nevertheless, the Russian history is rather turbulent with two different revolutions taking place in the 20th century. This perhaps has resulted in Russians seeking for certainty as it has been conditioned to times of disturbance and disorder. Also the overburden bureaucracy is a well regarded legacy of Soviet governance in Russia.

(As Russia does not have the short-term/long-term orientation score this comparison will be left out)

6.6 CRITIQUE ON HOFSTEDE'S MODEL

Hofstede's model on cultural characteristics has been evidently influential but it has had its fair share of criticism also. The first question that can be asked is does it still have relevance for contemporary issues of international organization behavior and differences in national cultures. The data was acquired in the 1970's and first published in the 1980's which does give concern for it applicability today. The world has changed in many ways and surely so has the cultural characteristics? This also relates to another criticism on Hofstede's model: it gives a very static picture of cultures in general. Hofstede's understanding of cultures is based on lateral comparison, whereas he ignores the fact that cultures are dynamic and under constant change. For instance, what was defined as Finnish in the 1960's is very different from what it is today. Finland has become a lot more diverse in population and leaped from the rural, agricultural lifestyles into a highly modernized urban society which thrives on a knowledge-based economy.

Hofstede's model is also makes strong generalizations on the national cultures at hand. It fails to portray the complexity and heterogeneity of nations and their cultures. In the end, there exists no average Swede or average American, but all these nationalities and cultures are rich in diversity and even inner contradictions. An American business associate can such as well be conservative middle-class white person, with a Christian background and roots in the bible-belt states; or the business associate can be a liberal homosexual from San Francisco with a totally different value-set and outlook on life. Surely these differences in backgrounds and personal tendencies would be more relevant for a manager than what is says in their passport.

Regarding the inner differences within a nation, Hofstede's model does not take to account the regional differences. The cultures can differ to a great degree depending about which side of the nation one is speaking of. The local culture in Hong Kong is surely very different to the rural areas in the outskirts of Western China. The differences in language, history and in peoples' identities are very significant in many nations and not homogenous at all. To call a person from Catalonia or Basque country as Spanish might be a great insult, as they have their respective languages and cultures despite lacking an autonomous statehood as they are a part of Spain. These contextual differences are something which is missing in Hofstede's model.

The dimension which has received most criticism is the masculinity-femininity dimension. This is mainly due to its notion of what is masculine and what is feminine. These are very different depending on the given context, and to universally define them is a bold statement. What is regarded as masculine in some cultures might be totally feminine in other. To take this to the extreme, there is an indigenous people in the Papua New Guinea in which men take care of their children and wear makeup to please their wives while women go out to collect food from the forests. The cultural definitions of masculinity and femininity are also most influenced by change over time as what was regarded as feminine in the

1960's in Finland would be very acceptable for modern Finnish men (taking care of the household tasks for example).

6.7 CONCLUSIONS

Despite the heavy criticism Hofstede's model has acquired it is still regarded as an important study and reference point for managers facing issues of international organizational behavior. It is one in its kind when it comes to cultural characteristics and it can be used as a good start for a more comprehensive inquire of different national cultures. Even if it does not pass as an extensive ethnographic study, it works quite well for managers within the parameters of organizational behavior. The downside and danger of Hofstede's model is that it gives a very homogenized picture of national characteristics which can diminish managers understanding of different behavior. A manager might be hasty to explain certain behavior because of a person national background ("well, this person acts the way he does because he's Turkish") even if the actual root of the behavior might be something totally different (the person is depressed or under a lot of stress at home).

Nevertheless, international behavior is already a very important issue for organizations as the world is getting more interdependent and diverse. Organizations are more likely to have a heterogeneous workforce and as cultural backgrounds, in values and norm, are becoming more important to be recognized. In this fast diversification, some managers might get confused and models such as the Hofstede-model might illuminate managers with much needed general knowledge. Therefore, it should not be merely disregarded as an simplified generalization but a desk study which can serve as a start for managers dealing with these kinds of issues. It should be stressed, that to gain a more comprehensive understanding on any kind of nationally-laden behaviour, managers would need to look much deeper in to the respective contexts of their employees and to the cultures and histories of their backgrounds.

6.8 FURTHER QUESTIONS

Concerning future research and inquiries a few follow-up questions should be thought of. One question of interest for study could be the possibility of a cosmopolitan organizational behaviour. The next generation of employees are the children of the Internet-age with an access to every part of the world right from their childhood. This generation is more qualified in English and knowledgeable of current global issues than any previous generation. The same generation has also traveled and made friends all around the world and stayed in touch through Skype and Face book. It could be argued that within this generation switch a new cosmopolitan organizational culture might be possible to develop. It is nevertheless not certain if this trend will continue. In many respects, nationalism is also on the rise as different economic difficulties have caused people to look for easy answers to difficult challenges. It would be still interesting to conduct a Hofstede-like study for the next generation of employees and see if a cosmopolitan culture would be attainable.

Another interesting research question might be to inquire the possible differences in local context when it comes to organizational or cultural behavior. In my personal case, I would surely have more in common with a liberal student of my age from Australia, than with a conservative and chauvinist middle-aged Finnish person. The differences which Hofstede tries to highlight can be contradictory to the actual reality – what Hofstede defines as differences can be transcended by similarities in different indicators of identity. Nationality is surely not the only determinant of individual behavior, and belonging to a group of "students", "punks" or "goths" might overcome these differences.

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