COURSE GUIDE

BUS831
ORGANISATIONAL THEORY AND BEHAVIOUR

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Published by National Open University of Nigeria

Reprinted 2023

ISBN: 978-978-058-0X

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INTRODUCTION

BUS831: Organizational Behavior and Theory is a two-credit course, available to all students of M.Sc. Business Administration programme of the Faculty of Management Sciences. The course consists of 21 units, which cover the concept and theory of organizational behavior and Theories. This course guide tells you what BUS 831 (Organizational Behaviour and Theory) is all about. This course guide provides you with an insight into the study of Organizational Behavior and theories, and all that will aid you to complete and walk through your way in understating the course. You will be exposed to the review of major organizational theories, concepts and practices of organizational behavior as the bases for management of organizations.

A good understanding of the study units will help you pass your examination comfortably. More importantly, it will equip you to perform well at work and evolve into an effective and efficient manager.

You are required to read the study units, in addition to relevant textbooks, journal articles and online resources as this will help you to understand the issues and be well grounded.

Some general guidelines are suggested for the amount of time required of you on each unit in order to achieve the expected learning outcomes successfully. There are self-assessment exercises and answers to your self-assessment exercise are therein provided. You will, at the end of the semester, be examined on this course.

Course Competencies

This course provides learners with the following competencies;

- ➢ Understand the importance of Organizational behavior as a course of study
- ➢ Expose you to the nature of organizational and reviews of major organizational theories, concepts and practices in organizations.
- ➢ Justify the critical unifying approaches to human behavior, personality, human and organizational change management.

COURSE OBJECTIVES

At the end of this course, you should be able to:

- explain the different organizational theories and their themes
- explain the principles, theories, and practices of organizational behavior.

- Discuss approaches to personality, human and organizational management.

WORKING THROUGH THE COURSE

You are required to read and understand the course units, in addition to relevant textbooks, journal articles and online resources that will help you to understand the issues and be well grounded. This study is simplified to aid your understanding. The are self-assessment exercises and tutor-marked assignments. You will, at the end of the semester, be examined on this course.

COURSE MATERIALS

The National Open University of Nigeria provides you with course materials namely;

- Course Guide
- Study Units
- References for further reading and online resources

STUDY UNITS

The study units in this course are as follows:

Module 1: Introduction to Organisational Theory and Behaviour

Unit 1: Introduction to Organisation
Unit 2: Classical Organisation Theory
Unit 3: Neo-Classical Organisation Theory
Unit 4: Human Resource/Organisational Behaviour Perspective
Unit 5: Modern Structural Organisation Theory
Unit 6: Systems Theories of Organisation

Module 2: Individual Behaviour

Unit 1: Introduction to Organisational Behaviour
Unit 2: Personality
Unit 3: Perceptions and Individual Decision-Making
Unit 4: Job Satisfaction
Unit 5: Emotions and Mood
Unit 6: Motivation

Module 3: Group Behaviour

Unit 1: Foundations of Group Behaviour
Unit 2: Communications
Unit 3: Work Teams
Unit 4: Leadership
Unit 5: Power and Politics in Organisations
Unit 6: Conflict and Negotiation
Unit 7: Organisational Structures/Design
Unit 8: Organisational Culture/Climate
Unit 9: Organisational Change and Development

ASSESSMENTS

Your assessment on this course will be two-pronged. First, you are required to study each unit, attempt the self- assessment exercise and the tutor-marked assignments. Second, you shall sit for examination on this course at the end of the semester. The self-assessment exercises are meant for you to monitor your personal progress on the course.

TUTOR-MARKED ASSIGNMENTS

The tutor-marked assignments constitute your continuous assessment, and accounts for 30% of the total score for this course. You are required to attempt, at least, three tutor-marked assignments, before you sit for the end-of-course examination. Your Facilitator will give you the tutor-marked assignment to attempt and submit online.

FINAL EXAMINATION AND GRADING

You are required to sit for examination at the end of this course. The examination accounts for 70% of the total score for this course. Your score in the examination will be added to your score in the tutor-marked assignment to make up your total score for the course. Your Centre will inform you of the examination period.

COURSE MARKING SCHEME

ASSESSMENT	**MARKS**
Tutor-marked assignments 1-3	A total of 30% (10 marks each).
End of course examination	70% of overall course marks
Total	**100%**

HOW TO GET THE MOST FROM THIS COURSE

To make the most from this course guide:

- Design your study schedule
- Stick to your schedule
- Gather your study materials
- Follow the study units sequentially.
- Go through the learning outcomes of each study unit, after studying the unit, to convince yourself that you understood the unit. If there are doubts, re-study that unit and/or seek support.
- Make your personal notes as you study the units; that will help you to revise for your examination more easily.
- Meticulously revise this study guide as part of your preparation for the end of course examination.

SUMMARY

This course, BUS831: Organisational Theory and Behaviour, exposes you to the review of major organisational theories, and to the concepts and practices of organisational behaviour as the bases for guiding the management of organisations. A good understanding of the study units will equip you to pass your examination comfortably. More importantly, it will equip you to perform well at work and evolve into an effective and efficient manager.

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MODULE 1 ORGANISATIONAL THEORY

Unit 1 Introduction to Organizational Theory and Behaviour

Unit Structure

1.1 Introduction
1.2 Learning Outcomes (LOs)
1.3 Meaning of Organization
1.4 Features of Organization
1.5 Types of Organization
1.6 Summary
1.7 References/Further Readings/Web Resources
1.8 Possible Answers to Self-Assessment Exercises

1.1 Introduction

It is logical that we start our discussion of Organizational Theory and behavior from a discussion of what an organization is, why organizations are formed, the different types of organizations, etc. Our understanding of these basic issues will aid our understanding of this course.

1.2 Learning Outcomes (LOs)

By the end of this unit, you will be able to:

- explain the meaning of organization
- identify the features of organizations
- differentiate the types of organizations.

1.3 Meaning of Organization

It is important to understand, at this level of your education, that definitions of concepts or phenomena are important but may not be as important as the understanding and description of the features or characteristics of those concepts and phenomena. This is especially so in management and social sciences where there are few consensuses on definitions, especially at the postgraduate level. This does not, in any way, suggest that definitions are irrelevant but that we may have greater consensus on the features or characteristics of a concept or phenomenon than on definitions.

The word "organization" is known to refer to a scale of operation that requires the involvement of two or more persons to achieve. This may be due to the nature or scale (size) of the operation. For example, one person may cook and serve him- or herself, eat and wash dishes alone, but it may be impossible for one person to cook, serve, and wash dishes for a big restaurant with many customers, alone. The restaurant owner must employ people to assist him or her to run it. An operation may also require the involvement of more than one person due to an inherent or acquired inability of an individual to carry out a particular task alone. For instance, a man who wants to start a family knows that he cannot keep himself company. He needs another person to play that role. And if he wants to also have his own biological children, he may be biologically unable to make children all by himself; he will have to partner a productive female to be able to do so. This biological inability compels him to involve another person to form a family. Similarly, somebody who has a very good business idea may be unable to finance the idea (he looks for partners) or execute the idea alone, and may employ workers to assist him.

Restaurant and family are organizations. Each was formed because of an individual's inability to cope with the scale or nature of the operation, making him or her to employ, partner, or marry another person(s) to form an organization. So, organizations are formed to make up for the inabilities of individuals.

The foregoing discussion reflects Robbins, Judge, and Vohra's (2013) definition of organization as "a consciously coordinated social unit, composed of two or more people that functions on a relatively continuous basis to achieve a common goal or set of goals" (p.5).

Self-Assessment Exercise 1

Explain the concept of organization and discuss its features.

1.4 Features of Organization

From our definition of organization, as stated above, organizations have the following features, which agree with the restaurant and family examples above:

- It is a social unit
- It is consciously established and coordinated
- It is composed of two or more persons
- It functions on a relatively continuous basis
- It is aimed at achieving a common goal or set of goals - may be production, distribution, consumption purposes, etc.

1.5 Types of Organization

As mentioned earlier, both restaurants and families are organizations. Organizations can be classified by their primary objective: e.g. for-profit and not-for-profit organizations; or whether it is formal or informal, etc.

i. For-profit organizations are commercial organizations that are primarily established to make profits as a way of increasing the wealth of its owners. Such organizations may do so by providing goods and services to customers at a profit. Profit-making organizations in Nigeria are numerous. Examples include: Dangote Cement Plc., Peace Mass Transit Limited, Daar Communication Plc., First Bank of Nigeria Plc., Enugu Electricity Distribution Company Ltd., among others.

ii. Not-for-profits organizations are organizations that are primarily established to serve purposes other than profit-making. Such organizations may generate revenue from providing goods and/or services to its customers or clients but at very low margins intended to cover the costs of providing the goods and/or services, not for profit. Some of such organizations are fully funded by the government. There are also many of such organizations in Nigeria, including government ministries, agencies, and parastatals such as government-owned hospitals, schools, universities, etc. Examples include: National Open University of Nigeria, National Hospital; Ministry of Power, Works and Housing Nigeria Police Force; and Federal Road Safety Commission; among others. Other not-for-profit organizations are charity organizations (also called nongovernmental organizations, NGOs) established by individuals, groups and corporate bodies to pursue specific causes. Examples include: Amnesty International Nigeria, Association for

Reproduction and Family Health, religious bodies, etc.

There are also formal and informal types of organizations.

i. Formal organizations are consciously planned and coordinated, with well-defined jobs, structure, lines of authority and responsibilities, etc., aimed at achieving defined objectives(s). A formal organization is guided by the structure, rules and procedures of operations usually specified in its official documents, e.g. memorandum of association, articles of association, bylaws, etc. Informal organizations are opposite of formal organizations.

Furthermore, there are several typologies of organizations in literature, including those developed by Talcott Parsons (1960), Blau and Scott (1963), Katz and Kahn (1978), etc.

ii. Parsons identified four types of organizations by their functions or goals namely; production, political, integrative, and pattern maintenance. Production organizations are those produce goods, e.g. Dangote Cement PLC. Political organizations are government agencies that pursue the realization of public goods and services, e.g. Federal Ministry of Power, Works and Housing. Integrative organizations are those that resolve conflicts and promote peaceful coexistence of society, e.g. The Nigerian Police, Judiciary, etc. Lastly, pattern maintenance organizations are those that pursue the functions of society's renewal and perpetuation via educational and cultural activities, etc., e.g. National Open University of Nigeria, churches, mosques, families, etc.

iii. Blau and Scott's typology classified organizations according to the basic beneficiaries of organizations' outputs. Accordingly, they identified mutual benefit associations, business, service, and commonwealth organizations. Mutual benefit associations are organizations whose members are its primary beneficiaries, e.g. Academic Staff Union of Universities (ASUU), Peoples Democratic Party (PDP), etc. Business concerns are organizations that are privately-owned, profit-making organizations whose owners are expected to be the primary beneficiaries of such organizations, etc., Dangote Cement PLC. Service organizations are those whose primary beneficiaries are members of the public served by such organizations, e.g. hospitals, schools, etc. Lastly, commonwealth organizations are organizations whose primary beneficiaries are the general public, e.g. The Nigerian Police, the Army, Air Force, Navy, etc.

iv. Katz and Kahn's typology of organizations, like that of Parsons, classified organizations according to functions and goals. Like Parsons, they also identified production, pattern maintenance, and political organizations (as discussed earlier). They further identified adaptive organizations whose goals are to create knowledge, develop and test theories, and apply knowledge towards solving problems, e.g. Research Centers in Universities, Raw Materials Research and Development Council, etc.

Self-Assessment Exercise 2

Using three of the typologies you studied in this unit, Discuss the types of organizations in Nigeria.

1.6 Summary

From our discussions in this unit, we can conclude that organizations are social units; consciously established and coordinated; composed of two or more persons; function on a relatively continuous basis; aimed at achieving a common goal or a set of goals. Organizations are necessitated by the need to make up for individual inabilities arising from the nature and/or scale of operations. Organizations can be classified in several ways including for-profit and not-for-profit, formal or informal, and using different typologies, etc. We also studied the meaning of organization, features and types of organizations, including some of the different typologies of organization in literature.

1.7 References/Further Readings/Web Resources

Blau, P.M. & Scott, W.R. (1963). *Formal Organizations*, London: Routledge and Kagan Paul.

Cole, G. (2004). *Management Theory and Practice* (6^{th} ed.). London: Thomson.

Gibson, J.L., Ivancevich, J.M., & Donnelly Jr., J.H. (1994). *Organizations*, (9^{th} ed.). Boston: Irwin/McGraw-Hill.

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Katz, D. & Kahn, R.L. (1978). *The Social Psychology of Organizations*. New York: John Wiley & Sons.

Kinicki, A. & Fugate, M. (2012). *Organizational behavior: Key Concepts, Skills & Best Practices* (5th ed.). Boston: McGraw-Hill Companies, Inc.

Parsons, T. (1960). *Structure and process in Modern Society*. New York: The Free Press.

Robbins, S.P., Judge, T.A., & Vohra, N. (2013). *Organizational behaviour* (15th ed.), Delhi: Dorling Kindersley (India) Pvt. Limited.

1.8 Possible Answers to Self-Assessment Exercises

Answer to SAE 1

The concept "organization" is known to refer to a scale of operation that requires the involvement of two or more persons to achieve.

Answer to SAE 2

Typologies of organizations discussed here are those developed by Talcott Parsons (1960), Blau and Scott (1963), Katz and Kahn (1978), etc.

UNIT 2 CLASSICAL ORGANISATION THEORY

Unit Structure

2.1 Introduction
2.2 Learning Outcomes (LOs)
2.3 Underlying Assumptions of the Classical Organization Theory
2.4 Major Theorists and Contributions
 2.4.1 Adam Smith
 2.4.2 Daniel McCallum
 2.4.3 Fredrick Winslow Taylor
 2.4.4 Henri Fayol
 2.4.5 Frank Gilbreth and Lillian Gilbreth
 2.4.6 Henry Lawrence Gantt
 2.4.6 Max Weber
2.6 Summary
2.7 References/Further Readings/Web Resources
2.8 Possible Answers to Self-Assessment Exercise(s)

2.1 Introduction

In this unit, we shall consider the oldest major organizational theory known as the classical organization theory. This organization theory dominated into the 1930s but remains influential till today. Our discussion of this theory will be followed by other organizational theories that followed after it.

2.2 Learning Outcomes (LOs)

By the end of this unit, you will be able to:

- explain the underlying assumptions of classical organization theory.
- identify the major theorists and their contributions to classical organization theory.

2.3 Underlying Assumptions of the Classical Organization Theory

* Organizations exist for economic and production purposes
* There is one best way to organize production, which can be found through scientific inquiry
* Specialization and division of labor maximizes production

* Rational economic principles determine the behavior of individuals and organizations.

- Workers are seen as interchangeable parts in industrial machines
- Factory system of production result in coordinated, capital intensive production
- Machines replace production workers and individual craftsmanship
- Primarily concerned with the structure of formal organizations
- Industrial and mechanical engineering-type of thinking dominated theories on the best way to organize production.
- Arising from the notion of 'one best way' of accomplishing production tasks, classical organization theory believes there must be one best way of organizing firms, which can be uncovered through scientific observation and analysis.
- Organizations should be run on universally applicable scientific principles.

2.4 Major Theorists and Contributions

2.4.1 Adam Smith

- Considered the father of economics
- Division of labor
- Management of specialization
- Centralization of equipment and labor in factories
- Economic paybacks on factory equipment
- Intellectual foundation of laissez-faire capitalism

2.4.2 Daniel McCallum

He Created the first modern organization chart Principles including:

- Division of responsibilities
- Power should be commensurate with responsibilities
- Reporting system that helped managers to promptly determine whether responsibilities were properly implemented and to identify errors and irresponsible subordinates.

2.4.3 Fredrick Winslow Taylor

Taylor is Considered the father of scientific management –

- Created time and movement studies (Taylorism)
- He saw scientific management as the way for firms to increase profit, get rid of unions, increase thrift and virtues of the working class, and raise productivity to enable higher consumption of mass-produced goods by workers.
- He opined that the operations of organizations can be systematically planned and controlled by experts, using scientific principles.

Based on the idea of one best way of production, Taylor's scientific management sought to increase output by using scientific methods to find out the fastest, most efficient, and least lethargically method of production.

2.4.4 Henri Fayol

Henry Fayol developed the first comprehensive theory of management. He Identified what he considered the key activities of any industrial undertaking namely;

- Technical (e.g. production of goods) o Commercial (e.g. buying and selling)
- Financial (e.g. raising and using capital) o Security (e.g. safeguarding of property and people)
- Managerial (e.g. planning, organizing, coordinating, controlling) Major emphasis was on people (managerial).

Fayol's principles of management include:

- Division of work
- Authority
- Discipline
- Unity of command
- Unity of direction
- Subordination of individual interests to the general interest
- Remuneration
- Centralization
- Scalar chain
- Order
- Equity
- Stability of tenure of personnel
- Initiative
- Spirit de corps

2.4.5 Frank Gilbreth and Lillian Gilbreth

They are proponents of scientific management.

- They Developed technique to record movements, called "therbligs", and process charting. Therbligs includes the following items: search, find, select, grasp, and hold. But when there was no motion, therbligs items are: wait-unavoidable, rest and plan.
- The flow (process) chart was created to enable the analysis of whole operations and process. The symbols used in flow chart are: inspection, storage, operation, transportation and delay.

2.4.6 Henry Lawrence Gantt

Gantt is best remembered for his planning chart – Gantt chart. It was originally used to graphically show the extent to which tasks were achieved.

2.4.6 Max Weber

Weber's work was on bureaucracy. He identified three types of legitimate authorities namely; traditional, charismatic, and rational-legal authorities.

He identified the main features of bureaucracy as:

- A continuous organization of functions bound by rules o Specified sphere of competence, the degree of authority allocated and the rules governing the exercise of authority
- A hierarchical arrangement of offices
- Appointment to offices is made on grounds of technical competence
- The separation of officials from the ownership of the organization
- Official positions exist in their own right, and job holders have no rights to a particular position
- Rules, decisions and actions are formulated and recorded in writing. (Cole 2005, p.26)

Self-Assessment Exercise

Mention the underlying assumptions of classical organization theory.

2.5 Summary

Classical organization theory is production centered, it is concerned with the structure of the organization, and using specialization and division of labor to maximize production output. The theory does not emphasize the welfare of workers, it rather sees workers as interchangeable parts in industrial machines. It was preoccupied with finding the 'one best way' of organizing production, which it believed could be found through scientific inquiry.

In this unit, we also discussed the underlying assumptions, and some of the major theorists and their contributions to classical organization theory.

2.6 References/Further Readings/Web Resources

Shafritz, J.M., Ott, J.S., & Jang, Y.S. (2011) (Eds.). *Classics in Organizational Theory*, (7th ed.). Boston, MA: Wadsworth Cengage Learning.

Cole, G. (2004). *Management Theory and Practice* (6th ed.). London: Thomson.

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2.7 Possible Answers to Self-Assessment Exercise(s)

* Organizations exist for economic and production purposes
* There is one best way to organize production, which can be found through scientific inquiry
* Specialization and division of labor maximizes production
* Rational economic principles determine the behavior of individuals and organizations.

- Workers are seen as interchangeable parts in industrial machines
- Factory system of production result in coordinated, capital intensive production
- Machines replace production workers and individual craftsmanship
- Primarily concerned with the structure of formal organizations
- Industrial and mechanical engineering-type of thinking dominated theories on the best way to organize production.
- Arising from the notion of 'one best way' of accomplishing production tasks, classical organization theory believes there must be one best way of organizing firms, which can be uncovered through scientific observation and analysis.

- Organizations should be run on universally applicable scientific principles.

UNIT 3 NEO-CLASSICAL ORGANISATION THEORY

Unit Structure

3.1 Introduction
3.2 Learning Outcomes (LOs)

3.3 Underlying Assumptions Neo-classical Organizational Theory
3.4 Major Theorists and Contributions
    3.4.1 Chester Bernard
    3.4.2 Robert Merton
    3.4.3 Herbert A. Simon
    3.4.4 Philip Selznick
    3.4.5 Cyert and March
    3.4.6 Melvin Dalton
    3.4.7 Tacott Parsons
3.5 Summary
3.6 References/Further Readings/Web Resources
3.7 Possible Answers to Self-Assessment Exercise(s)

3.1 Introduction

The neo-classical organization theory is the next dominant organization theory after the classical organization theory that we first considered. This organization theory started at about the end of the Second World War in 1945, through the 1950s. It attacked, and sought to review the classical organization theory.

3.2 Learning Outcomes (LOs)

By the end of this unit, you will be able to:

- explain the underlying assumptions of neoclassical organization theory.
- identify some of the major theorists and their contributions to neo-classical organization theory.

3.3 Underlying Assumptions Neo-classical Organizational Theory

- Neo-classical organizational theory was critical of, and revised classical organization theory, especially in relation to the humanness of workers, processes of decision-making, and the needs for coordination among administrative units.
- Initiated theories and raised issues that became central to subsequent schools of thought, e.g. the organizational culture perspective of the organization.
- Incorporated sociology into organizational theory.

- Neo-classical organization theorists argued that organizations did not, and cannot exist independent of their environment.
- Neo-classical organization theory originated a theoretical departure from the overly simplistic, mechanistic views of classical organization theory.

3.4 Major Theorists and Contributions

3.4.1 Chester Bernard

- Tried to create a comprehensive theory of behavior in organizations that focused on the need for organizational members to cooperate to actualize tasks that individuals are unable to actualize alone
- Identified the responsibilities of an executive as: (i) creating and maintaining a sense of purpose and moral code for the organization (ii) establishing systems of communication, and (iii) ensuring that workers are willing to cooperate
- Individual workers must be induced through the use of objective positive incentives and attitudinal reorientation.

3.4.2 Robert Merton

* Asserted that Max Weber's ideal-type bureaucracy had inhibiting dysfunctions and negatively affects those who work in it.

3.4.3 Herbert A. Simon

* Asserted that classical organization theory was conflicting, contradictory, inconsistent, and inapplicable to many administrative circumstances confronting managers.
* Declared organizational theory as the theory of bounded rationality of people who satisfice due to their intellectual inability to maximize.
* He was a pioneer in the attack on classical organization theory, and the leader in the study of decision-making processes of organizations.

3.4.4 Philip Selznick

* Contended that though organizations can be designed and described in a purely rational manner, that cannot cope with the non-rational dimension of organizational behavior.
* Observed that organizations are not just made up of job positions but are composed of human beings whose individual goals and aspirations

may not be consistent with those of their organizations.

* Introduced the concept of "co-optation", which describes the process of organizations assimilating new elements in order to prevent them from posing a threat to their interests.

3.4.5 Cyert and March

* Discussed the formation and activation of coalitions, and negotiation's demands on the organization.
* Theorized that firms satisficed, rather than maximize profit.

3.4.6 Melvin Dalton

* Emphasized on structural frictions between line and staff units, and between the head office of an organization and its branches.

3.4.7 Tacott Parsons

* Defined organization as a social system that focuses on the realization of specific goals and contributes, in turn, to the achievement of goals of a more comprehensive system, such as the larger organization or society itself.

3.5 Summary

The neo-classical organization theory developed in response to the defects of classical organization theory, especially in relation to the humanness of workers, process of decision-making, and the needs for coordination among administrative units. It marked a departure from the simplistic, mechanistic view of the organization by incorporating the environment into its theories. It initiated theories and raised issues that later became central to the organizational culture perspective of organization.

We also discussed the underlying assumptions, and some of the major theorists and their contributions to neo-classical organization theory.

Self-Assessment Exercise

Discuss the underlying assumptions of the neoclassical organization

theory.

3.6 References/Further Readings/Web Resources

Shafritz, J.M., Ott, J.S., & Jang, Y.S. (2011) (Eds.). *Classics in Organizational Theory*, (7th Edition). Boston, MA: Wadsworth Cengage Learning.

Cole, G. (2004). *Management Theory and Practice* (6th ed.). London: Thomson.

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3.7 Possible Answers to Self-Assessment Exercise(s)

The Neo-classical organizational theory was critical of the classical organization theory, especially in relation to the humanness of workers, processes of decision-making, and the needs for coordination among administrative units.

It initiated theories and raised issues that became central to subsequent schools of thought, e.g. the organizational culture perspective of the organization and also incorporated sociology into organizational theory. The Neo-classical organization theorists argued that organizations did not, and cannot exist independent of their environment. Neo-classical organization theory originated a theoretical departure from the overly simplistic, mechanistic views of classical organization theory.

UNIT4 HUMAN RESOURCE / ORGANISATIONAL BEHAVIOUR PERSPECTIVE

Unit Structure

4.1 Introduction
4.2 Learning Outcomes (LOs)
4.3 Underlying Assumptions of the Human Resource/Organizational Behaviour Perspective

4.4 Major Theorists and Contributions
4.4.1 Elton Mayo and The Hawthorne Experiment
4.4.2 Abraham Maslow
4.4.3 Douglas M. McGregor
4.4.4 Irving Janis
4.5 Summary
4.7 References/Further Readings/Web Resources
4.8 Possible Answers to Self-Assessment Exercise

4.1 Introduction

The third organization theory we shall be studying is the human resource/organizational behavior perspective, which started since approximately 1957. This theory focused on human beings in organizations and played a big part in laying the foundation for the emergence of organizational behavior as a discipline.

4.2 Learning Outcomes (LOs)

By the end of this unit, you will be able to:

- explain dominant models and underlying assumptions of the human resource/organizational behavior perspective
- identify some of the major theorists and their contributions to human resource/organizational behavior perspective.

4.3 Underlying Assumptions of the Human Resource/ Organizational Behavior Perspective

i. Organizations exist to serve people's needs, not the other way round.

ii. People and organizations need each other (e.g. people need salaries and careers; while organizations need ideas, human energy).

iii. When there is a poor fit between individuals' and organization's interests, one or both will suffer. Individuals may exploit the organization or the organization may exploit individuals, or both. iv. A good fit between individual and organizational interests benefits both sides, by allowing them to satisfy their interests.

v. Behavioral scientists concentrated efforts at trying to answer questions such as why organizations should allow and encourage their workers to grow and develop

vi. This approach assumed that flexibility, creativity, and prosperity of organizations flow from growth and development of employees.
vii. Considered people to be even more important than organizations.
viii. Focused on individuals and groups, and the relationships between them, and between them and the environment of the organization.
ix. Considers organization as both a dependent and independent variable; human behavior shapes organization and organization influences human behavior.
x. Major themes of this approach include: motivation, power and influence, leadership, individuals in teams and groups, organizational change, effects of the work environment.

4.4 Major Theorists and Contributions

4.4.1 Elton Mayo and The Hawthorne Experiment

i. The Hawthorne experiments represent the single most significant set of events that pointed to a conscious theory of organizational behavior.
ii. The experiments provided the basis for a set of assumptions that later displaced the assumptions of classical organization theory. iii. Results of the experiments showed that complex, interacting variables make the difference in motivating people. These variables include: group norms, the willingness of managers to listen to their workers, direct feedback, and workers' control over their work, etc.

4.4.2 Abraham Maslow

i. Every human being is subject to a hierarchy of five needs that underlie their motivational structure namely; physiological, safety, social, esteem, and self-actualization needs.
ii. Unsatisfied needs are drivers of motivation. iii. Satisfied needs cease to motivate.
iv. Satisfied lower level needs are replaced by higher level needs as the motivating forces.
v. Though this theory is largely not validated, it remains popular in organizational behavior.

4.4.3 Douglas M. McGregor

i. Propounded Theory X and Theory Y, which are contrasting basic managerial assumptions about employees.

ii. Theory X views workers as inherently disliking work, requiring coercion and control, avoiding responsibility, and only seeking security.

iii. Theory Y assumptions view workers as liking work and need not be coerced or controlled, accept and even seek responsibility, can exercise self-direction and self-control as long as they are committed to organization's objectives.

4.4.4 Irving Janis

i. Coined the term "groupthink" to describe the pressure for conformity by members of a group; explanation of why social conformity is frequently encountered in groups.

ii. Groupthink is in operation when the quest for concurrence in a cohesive group becomes so dominant that it supersedes realistic consideration of alternative courses of action.

4.5 Summary

This theoretical perspective focused on people and organizations. It was of the view that people are as important, or even more important, than organizations; that people and organizations need each other, both influence each other; and that a good fit between their respective interests would benefit both parties. This perspective sees the growth and development of employees as being critical to the flexibility, creativity, and prosperity of organizations. These theories are majorly concerned with issues such as motivation, leadership, power and influence, teams, groups, and the work environment.

We also discussed the underlying assumptions, and some of the major theorists and their contributions to the human resource/organizational behavior perspective.

Self-Assessment Exercises

Discuss the underlying assumptions of the human resource/organizational behavior perspective to organizations.

4.6 References/Further Readings/Web Resources

Shafritz, J.M., Ott, J.S., & Jang, Y.S. (2011) (Ed.). *Classics in Organizational Theory,* (7th ed.). Boston, MA: Wadsworth Cengage Learning.

Cole, G. (2004). *Management Theory and Practice* (6th ed.). London: Thomson.

https://en.wikipedia.org/wiki/Organizational_behavior

4.7 Possible Answers to Self-Assessment Exercise

The assumptions of the human resource/organizational behavior perspective to organizations are:

- Organizations exist to serve people's needs, not the other way round.
- People and organizations need each other (e.g. people need salaries and careers; while organizations need ideas, human energy).
- When there is a poor fit between individuals' and organization's interests, one or both will suffer. Individuals may exploit the organization or the organization may exploit individuals, or both. iv. A good fit between individual and organizational interests benefits both sides, by allowing them to satisfy their interests.
- Behavioral scientists concentrated efforts at trying to answer questions such as why organizations should allow and encourage their workers to grow and develop
- This approach assumed that flexibility, creativity, and prosperity of organizations flow from growth and development of employees.
- Considered people to be even more important than organizations.
- Focused on individuals and groups, and the relationships between them, and between them and the environment of the organization.
- Considers organization as both a dependent and independent variable; human behavior shapes organization and organization influences human behavior.
- Major themes of this approach include: motivation, power and influence, leadership, individuals in teams and groups, organizational change, effects of the work environment.

UNIT 5 MODERN STRUCTURAL ORGANISATION THEORY

Unit Structure

5.1 Introduction
5.2 Learning Outcomes (LOs)
5.3 Underlying Assumptions of The Modern Structural Organization

Theory
5.4 Major Theorists and Contributions
5.4.1 Tom Burns and G.M. Stalker
5.4.2 Peter N. Blau and W. Scott.
5.4.3 Arthur H. Walker and Jay W. Lorsch
5.4.4 Henry Mintzberg
5.4.5 Richard M. Burton and Borge Obel
5.5 summary
5.6 References/Further Readings/Web Resources
5.7 Answers to Self-Assessment Exercise

5.1 Introduction

The modern structural organizational theory started about the second half of the 20th century, post-World War II. Modern structuralists are similar to those of classical structuralists with respect to their interest in organizational efficiency, rationality, and increase in production of real goods and services.

5.2. Learning Outcomes (LOs)

By the end of this unit, you will be able to:

- explain the assumptions of modern structural organization theory.
- identify some of the major theorists and their contributions to modern structural organization theory.

5.3. Underlying Assumptions of The Modern Structural Organization Theory

i. Organizations are rational institutions with the primary purpose of accomplishing defined objectives
ii. Rational organizational behavior is best achieved through systems of clear rules and formal authority.
iii. Organizational control and coordination play critical roles in maintaining organizational rationality.
iv. There is one best structure or, at least, a most suitable structure for an organization considering its objectives, nature of its products (goods and/or services), production process, and environment.
v. Specialization and division of labor increase the quality and

quantity of production.

vi. Most of the problems organizations experience are due to structural flaws and can be solved by altering the structure.

vii. Structural organization theory is concerned with vertical differentiations such as hierarchical levels of authority and coordination; and horizontal differentiations between units such as between product or service lines, geographical locations, etc.

viii. Organization charts are key management tools.

ix. Tenets of modern structuralists are similar to those of classical structuralists namely; organizational efficiency, rationality, and increase in production of real goods and services.

5.4 Major Theorists and Contributions

5.4.1 Tom Burns and G.M. Stalker

i. Developed the theory of mechanistic and organic systems of organization.

ii. Contributed to the creation of the socio-technical approach.

iii. Found that stable organizational conditions may be indicative of the use of a mechanistic system, in which a traditional form of hierarchy, vertical communications, dependence on formal rules and regulations, and structured decision-making are obtainable.

iv. Dynamic, rapidly changing environments require an organic system of organization, in which flexibility, greater participation in decision-making, and greater employee work autonomy are obtainable.

5.4.2. Peter N. Blau and W. Scott

i. Contended that all organizations comprise both formal and informal components, and that the informal component is rooted in, and supports the formal component by establishing norms for the operation of the organization.

ii. The true structure of a formal organization may not be fully understood without understanding its informal component.

5.4.3. Arthur H. Walker and Jay W. Lorsch

i. They sought to find answers to whether an organization should be structured according to function or product, and whether all specialists in a given function should be placed under a common boss irrespective of the products, or the various functional specialists working on a product be placed under a common boss.

ii. They decided that the appropriateness of these structural arrangements depends on the nature of the organization and its environment.

5.4.4. Henry Mintzberg

i. Integrated many schools of organizational theory.

ii. He crafted a model of organizations that has five interdependent parts namely; the support staff, the techno-structure, the operating core, the middle line, and the strategic apex.

5.4.5. Richard M. Burton and Borge Obel

i. Effects of various dimensions of technology on organizational design.

ii. Interdependence between organizational structure and information technology

iii. Organizations as information processing entities

iv. Effects of media richness on design

v. Design criteria for fitting information technology to decentralized organizations

vi. Assessed the effects of technology on six dimensions of organizations namely; complexity, formalizations, configuration, centralizations, incentives, and coordination and control.

Self-Assessment Exercise

Discuss the underlying assumptions of modern structural organization theory.

5.5 Summary

The tenets of modern structuralists are similar to those of classical structuralists in terms of their focus on organizational efficiency, rationality, and increase in production of goods and services. The theorists are concerned with vertical and horizontal differentiations in organizations; believe in one best structure; specialization and division of labor; and the use of organization charts as key management tools.

We also studied the underlying assumptions, and some of the major theorists and their contributions to modern structural organization theory.

5.6 References/Further Readings/Web Resources

Shafritz, J.M., Ott, J.S., & Jang, Y.S. (2011) (Eds.). *Classics in Organizational Theory,* (7th ed.). Boston, MA: Wadsworth Cengage Learning.

Cole, G. (2004). *Management Theory and Practice* (6th ed.). London: Thomson**.**

https://www.ukessays.com/essays/business/modern-structural-organization-theory-5440.php.

5.7 Possible Answers to Self-Assessment Exercise

i. Organizations are rational institutions with the primary purpose of accomplishing defined objectives

ii. Rational organizational behavior is best achieved through systems of clear rules and formal authority.

iv. Organizational control and coordination play critical roles in maintaining organizational rationality.

v. There is one best structure or, at least, a most suitable structure for an organization considering its objectives, nature of its products (goods and/or services), production process, and environment.

vi. Specialization and division of labor increase the quality and quantity of production.

vii. Most of the problems organizations experience are due to structural flaws and can be solved by altering the structure.

viii. Structural organization theory is concerned with vertical differentiations such as hierarchical levels of authority and coordination; and horizontal differentiations between units such as between product or service lines, geographical locations, etc.

ix. Organization charts are key management tools.

x. Tenets of modern structuralists are similar to those of classical structuralists namely; organizational efficiency, rationality, and increase in production of real goods and services.

UNIT 6 SYSTEMS THEORY OF ORGANISATION

Unit Structure

6.1 Introduction
6.2 Learning Outcomes (LOs)
6.3 Assumptions of the systems theory of organization:
6.4 Major Theorists and Contributions:
6.4.1 Daniel Katz and Robert Kahn

6.4.2 James D. Thompson
6.5 Summary
6.6 References/Further Readings/Web Resources
6.7 Possible Answers to Self-Assessment Exercise

6.1. Introduction

We have discussed the classical, neo-classical, human resources/behavioral, and modern structural theories of organization. The systems theory of organization tried to merge all these theories by viewing organizations as open systems that interact with their environments. The systems theory uses quantitative scientific methods to identify causation between elements of organization and those of their environments, and to determine optimal solutions. The systems theory began to dominate organization theory in 1966-1967 and had continued to date.

6.2 Learning Outcomes (LOs)

By the end of this unit, you will be able to:

- explain the assumptions of systems theory of organization
- identify some of the major theorists and their contributions to systems theory of organization.

6.3 Assumptions of the Systems Theory of Organization

i. Primary focus of research and theory-building changed from the consideration of internal features of organizations to that of external dynamics of organizational interactions, competition, and interdependency.
ii. Organization as open systems views organization as a system of interdependent activities embedded in, and dependent on, the wider environment.
iii. A system is an organized collection of interdependent and interrelated parts created to achieve specific or general goals. It is a closed system if it self-sufficient and does not interact with its environment. It is an open system if it interacts with its environment.
iv. System theory considers an organization as a complex set of dynamically intertwined elements, which involves input,

processing, output, and feedback loops; and interacts with its environment (open system).

v. Open systems theories tend to have complex and multidimensional assumptions regarding causation in organizations. This approach sees organizations as dynamic processes of interaction between elements of organizations and elements of their environments.

vi. Organizations are vital parts of their environments whose actions affect the environment and are, in turn, affected by changes in the environment. Organizations must, therefore, be adaptive to changes in the environment in order to survive.

vii. Systems theories of organization have two major conceptual themes namely; (i) applications of Ludwig von Bertalanffy's general systems theory of organizations, and (ii) the use of quantitative tools and techniques to understand complex relationships between organizational and environmental variables, in order to optimize decisions.

viii. The systems theory uses quantitative scientific methods to identify causation and to determine optimal solution.

ix. Systems approach employs the use of computers, models, and interdisciplinary teams of analysts as tools of operation. Some of the techniques employed by systems approach are Critical Path Method (CPM), Performance Evaluation and Review Technique (PERT), gaming, statistical inference, simulation, linear programming, etc. The systems perspective is also called Management Science.

6.4. Major Theorists and Contributions

6.4.1. Daniel Katz and Robert Kahn

i. Enunciated the notion of organizations as open systems.

ii. Offered intellectual foundation for merging classical, neoclassical, human relations/organizational behavior, modern structural, and systems theories of organizations via open systems approach.

iii. Identified five subsystems that are at work in organizations namely; production or technical, supportive, maintenance, adaptive, and managerial subsystems.

6.4.2. James D. Thompson

i. Suggested that the closed system approach may work only at the technical level or organizational operations.

ii. He viewed individuals' behavior only to the extent that it helps explain the nature of organizations.

Iii Thompson recognized the benefit of managers using a typology of technology that could deal with different range of technologies found in complex organizations.

Self-Assessment Exercise

Discuss the underlying assumptions of the systems theory of organization.

6.5 Summary

This theory focuses on the external dynamics of the interactions, competition, and interdependency of organizations. It sees organizations as open systems with a complex set of dynamically intertwined elements, and interactions between these elements and those of their environment. The theory believes there is a causation between organizations and their environments, which it uses quantitative scientific method to identify and to determine optimal solution. Organizations have to adapt to environmental changes in order to survive.

We also discussed the underlying assumptions, and some of the major theorists and their contributions to systems theory of organization.

6.6 References/Further Readings/Web Resources

Shafritz, J.M., Ott, J.S., & Jang, Y.S. (2011) (Ed.). *Classics in Organizational Theory*, (7th ed.). Boston, MA: Wadsworth Cengage Learning.

Cole, G. (2004). *Management Theory and Practice* (6th ed.). London: Thomson.

https://thebusinessprofessor.com/management-leadership-organizational-behavior/systems-theory-of-management

6.7 Possible Answers to Self-Assessment Exercise

i. Primary focus of research and theory-building changed from the consideration of internal features of organizations to that of external dynamics of organizational interactions, competition, and interdependency.

ii. Organization as open systems views organization as a system of interdependent activities embedded in, and dependent on, the wider environment.

iv. A system is an organized collection of interdependent and interrelated parts created to achieve specific or general goals. It is a closed system if it self-sufficient and does not interact with its environment. It is an open system if it interacts with its environment.

v. System theory considers an organization as a complex set of dynamically intertwined elements, which involves input, processing, output, and feedback loops; and interacts with its environment (open system).

vi. Open systems theories tend to have complex and multidimensional assumptions regarding causation in organizations. This approach sees organizations as dynamic processes of interaction between elements of organizations and elements of their environments.

vii. Organizations are vital parts of their environments whose actions affect the environment and are, in turn, affected by changes in the environment. Organizations must, therefore, be adaptive to changes in the environment in order to survive.

viii. Systems theories of organization have two major conceptual themes namely; (i) applications of Ludwig von Bertalanffy's general systems theory of organizations, and (ii) the use of quantitative tools and techniques to understand complex relationships between organizational and environmental variables, in order to optimize decisions.

ix. The systems theory uses quantitative scientific methods to identify causation and to determine optimal solution.

x. Systems approach employs the use of computers, models, and interdisciplinary teams of analysts as tools of operation. Some of the techniques employed by systems approach are Critical Path Method (CPM), Performance Evaluation and Review Technique (PERT), gaming, statistical inference, simulation, linear programming, etc. The systems perspective is also called Management Science.

MODULE 2 ORGANIZATIONAL/INDIVIDUAL BEHAVIOUR

Unit 1 Introduction to Organizational Behaviour
Unit 2 Personality
Unit 3 Perceptions and Individual Decision-Making
Unit 4 Job Satisfaction
Unit 5 Emotions and Mood
Unit 6 Motivation

UNIT 1 INTRODUCTION TO ORGANIZATIONAL BEHAVIOUR

Unit Structure

1.1. Introduction
1.2. Learning Outcomes (LOs)
1.3. Meaning of Organizational Behavior
1.4. Challenges/Opportunities for Organizational Behavior
1.6. Summary
1.7. References/Further Readings/Web Resources
1.8. Possible Answers to Self-Assessment Exercise(s)

1.1. Introduction

Many business owners, managers and supervisors have failed in their businesses or jobs, not because they were not technically sound, but because they did not know how to manage people. Human beings drive success or failure in organizations. Equipment and computers cannot operate themselves. Entrepreneurs can barely make it alone. Managers are paid to accomplish goals through workers. That tells you that workers should be your most important assets. You also deal with customers, suppliers, creditors, contractors, bankers, etc., which involves human interactions. It is difficult to get the performance you want from people if you fail to understand, predict, and influence their behaviors. Organizational Behavior provides you with the relevant tools that will enable you to properly and adequately understand and manage people in the workplace.

1.2. Learning Outcomes (LOs)

By the end of this unit, you will be able to:

- explain what organizational behavior is all about.
- discuss the challenges and opportunities that face organizational behavior

1.3. Meaning of Organizational Behavior

Organizational behavior is about developing people skills. The study of organizational behavior is a relatively recent shift arising from the realization of the inadequacy of solely focusing on technical and quantitative skills in the management of organizations. Managerial functions, roles, skills, and activities underscore the importance of managing people. Leadership, communication, interpersonal and networking skills (people skills) are critical to effective and successful management of organizations.

Organizational behavior studies the three factors that determine behavior in an organization namely; individuals, groups, and structure; and applies the knowledge towards making organizations more effective. Organizational behavior is concerned with people's behavior in organizations and how it affects performance in the organization.

Organizational behavior is an applied behavioral science with major contributions from psychology, social psychology, anthropology, and sociological disciplines.

1.4. Challenges/Opportunities for Organizational Behavior

i. Economic pressures arising from global economic recessions such as that of 2008-2009 and recent domestic recession in Nigeria, make the management of organizations more difficult and challenging. Economic recessions usually invoke pay-cuts, job losses, lay-offs, downsizing, etc., and come with uncertainties that challenge the management of organizations. Organizational behavior points to understanding how to reward, satisfy and retain employees when times are good, and how to cope with stress and decision-making during difficult times.

ii. Globalization has collapsed national boundaries, resulting to international fluidity of human and material resources. Many businesses now have operations outside their home countries, and also employ people from other countries. Some of the implications of these are that managers are increasingly required to manage workers from different countries and to supervise the movement of jobs from high-cost areas to low-cost areas. In these situations, managers may face people from different countries, cultures, language, religions, economic values, etc., and would need to adapt management styles to fit different situations. Organizational behavior offers necessary knowledge and skills to cope with such situations.

iii. Managing the differences among workers within the same country (workforce diversity), also requires adaptation of management styles. The diversity (difference) relates to race, gender, ethnicity, age, educational qualification, language, sexual orientation, etc. Workforce diversity offer opportunities and challenges regarding its management, and how to channel these differences into a competitive advantage for the organization.

iv. Customer service is crucial to organization's performance because customer satisfaction leads to customer loyalty, retention, and referrals, which boosts organization's performance. This informs the priority that service organizations place on customer service. Organizational Behavior helps managers to improve customer service by showing them the link between customer satisfaction and employee's attitudes and behaviors, and how to create customer-friendly organizational cultures.

v. Organizational behavior offers relevant concepts and theories that explain and predict people's work behaviors, and skills that can be used to manage employees, e.g. how to create efficient teams, how to motivate workers, to mention a few.

vi. Innovation and change are critical factors for organizations' survival and prosperity in today's global economy, and these factors can be delivered by its employees. However, managers have the duty to stimulate creativity and acceptance of change in their employees, and Organizational Behavior comes handy with techniques and ideas that help managers to deliver on this task.

vii. The boundary between work and other life domains has continued to blur, resulting in work-life conflict. This is as a result of increase in dual-career couples and employed single mothers, increasing use of information and communication technology that connects employees even outside working hours, etc. Consequently, it is becoming increasingly difficult to balance work and personal responsibilities. Organizational Behavior offers some ideas on how manager can design jobs and workplaces to help employees deal with issues relating to work life conflict.

Self-Assessment Exercises

Discuss the primary concern of the discipline 'Organizational behaviour'.

1.5 Summary

We have seen that since human beings are central to the success of organizations, the skill to manage and motivate them to superior performance is critical to the success or effectiveness of business owners, managers, and supervisors. Economic challenges such as the recent economic recession in Nigeria makes the management of organizations more difficult. Globalization and the resulting free flow of people, products and ideas imply increased competition and exposure to foreign/diverse workforce, with its challenges. Customer service, innovation and change, work-life conflict, etc., combine to reinforce the need for Organizational Behavior.

In this unit, we also discussed the meaning and nature of organizational behavior and the challenges/opportunities it offers.

1.6 References/Further Readings/Web Resources

Gibson, J.L., Ivancevich, J.M., & Donnelly, Jr., J.H. (1994). *Organizations,* (9thEdition). Boston: Irwin/McGraw-Hill.

Hellriegel, D., & Slocum, Jr. J.W. (2011). *Organizational Behavior* (13th ed.). Mason, OH: South-Western, Cengage Learning.

Kinicki, A. & Fugate, M. (2012). *Organizational Behavior: Key Concepts, Skills & Best Practices* (5th ed.). Boston: McGraw-Hill Companies, Inc.

Robbins, S.P., Judge, T.A., & Vohra, N. (2013). *Organizational Behavior* (15th ed.). Delhi: Dorling Kindersley (India) Pvt. Limited.

1.7 Possible Answers to Self-Assessment Exercise(s)

Organizational behavior is concerned with people's behaviour in organizations and how it affects performance in the organization.

UNIT 2 PERSONALITY

Unit Structure

2.1 Introduction
2.2 Learning Outcomes (LOs)
2.3 Meaning of Personality
2.4 Determinants of Personality/Personality Traits
2.5 Personality Traits
2.6 Other Personality Traits
2.7 Summary
2.8 References/Further Readings/Web Resources

2.9 Possible Answers to Self-Assessment Exercise

2.1 Introduction

It is common knowledge that each of us is different from others, in one way or the other. You may have also noticed that you and your siblings do not have exactly the same attitudes or behaviors, though you were born by the same parents. The same thing goes for workers in the same organization. Employees come into the organization from different backgrounds, levels of education, exposure, etc., and with different personalities. Some are warm, cheerful and easy-going, while others are reserved and withdrawn. Some are cooperative, while others are difficult to work with. Some are emotionally balanced, while others could easily lose it. Our personalities differ but we must work with others in the same organization. This, calls for adequate knowledge and understanding of different personality types to enable us co-exist well in the workplace.

2.2 Learning Outcomes (LOs)

By the end of this unit, you will be able to:

- explain the meaning of personality
- explain the determinants of personality
- identify personality
- identify other personality traits relevant to organizational behavior.

2.3 Meaning of Personality

Robbins *et al.* (2013, p.138) define personality as "the sum total of ways in which an individual reacts to and interacts with others". Personality can be measured through self-report survey and observer ratings survey. In self-report survey, concerned individuals evaluate themselves by responding to a series of factors. However, the problems with this method are:

i. The respondents may manipulate the outcome of the survey by falsifying their responses, especially if they are aware that the survey was for employment purposes,
ii. An individual being in a bad mood during the survey may render the outcome less accurate. Under observer-ratings method, an overseer (e.g. a co-worker) independently rates the individual being surveyed.

Studies suggest that observer-rating method of measuring personality better predicts success on a job than self-reporting methods. It has also been found that a combination of both methods better predicts performance on the job than any one of them.

2.4 Determinants of Personality/Personality Traits

Heredity: Extensive study of twins that were raised separately (away from each other) suggests that genetics (heredity) substantially accounts for a person's personality. The twins end up sharing significant similarities in their personalities in spite of their being raised by different people, apart from each other.

2.5 Personality Traits

There are two important frameworks used in identifying and classifying personality traits namely; the Myers-Briggs Type Indicator and the Big Five Personality Model.

- **The Myers-Briggs Type Indicator (MBTI):** This framework contains one hundred questions on individual's feelings and actions in specific situations. From the data collected, respondents are classified as extraverted (E) or introverted (I), sensing (S) or intuitive (N), thinking (T) or feeling (F), judging (J) or perceiving (P).

- Extraverted people are sociable and outgoing; while introverted people are withdrawn, shy and quiet.
- Sensing people prefer details, order, and routine; while intuitive persons rely on unconscious processes.
- Thinking people rely on logic and reason; while feeling people rely on emotions and personal values.
- Judging people prefer structure, order and control; while perceiving people are spontaneous and flexible.

Though Myers-Briggs Type Indicator (MBTI) is the most widely used instrument for personality evaluation, most of the evidence does not support its validity as a measure of personality. It does not recognize that some people may not fit into any of the four pairs of traits it proposed. Furthermore, it is not suitable for selection of job applicants because its results are not related to job performance.

- **The Big Five Personality Model:** This model considers five basic dimensions or factors that underlie and account for the major differences in human personality.

- **Extraversion:** This evaluates the degree to which an individual is comfortable with relationships. Those who are sociable, outgoing and assertive are known as extraverts, while those who are withdrawn, quiet and shy are known as introverts.

- **Agreeableness:** This evaluates the degree to which an individual agrees with other people's views or opinions. Very agreeable people are cooperative and trusting, while less agreeable people are disagreeable and antagonistic.
- **Conscientiousness:** This evaluates the degree to which an individual is reliable. Very conscientious people are dependable, responsible, and persistent, while less conscientious people are unreliable, irresponsible and liable to distractions.
- **Emotional Stability:** This evaluates the degree to which an individual is able to withstand stress. Those with positive emotional stability feel secured, self-confident, and calm, while those who are emotionally unstable feel unsecured, anxious and nervous.
- **Openness to Experience:** This evaluates the degree to which an individual embraces new idea. Studies found relationships between these dimensions of personality and job performance. For example, it was found that conscientious people (expressed as dependability, reliability, persistence, attention to details, hard work, etc.), have higher job performance in virtually all occupations. However, conscientious people find it difficult to adapt to change and are less creative when compared to less conscientious people.
- Emotional Stability is strongly related to job and life satisfaction, and low stress levels. Highly emotionally stable people tend to be happy, optimistic and positive. People who are low on emotionally stability tend to be unhappy, irritable negative and vulnerable to the negative effects of stress.
- Extraverts tend to be happier in their work and other aspects of life, are positive, have more social skills and tend to do well in interpersonal relationships/interactions than introverts. Extraversion also strongly predicts leadership because extroverts are assertive and socially dominant than introverts. However, extroverts tend to be more impulsive than introverts, tend to be absent from work and engage in risky behavior.
- Those who are highly open to experience are more creative than who are not. They also tend to cope with ambiguity and change, and tend to be effective in leadership.
- Highly agreeable people tend to be liked for being highly agreeable, are law abiding or complaint to rules, satisfied on their jobs and engage in organizational citizenship behavior.

2.6 Other Personality Traits

Besides the Big Five Personality traits, there are other human attributes that strongly predicts behave in the work place. Thus:

i. Core Self-Evaluation (Self-Esteem)

This reflects an individual's conclusions about his or herself regarding his or her capabilities, competence and self-worth. People who have positive core self-evaluation have positive conclusions about their capabilities, competence and self-worth while those with negative core self-evaluation have negative conclusions about themselves and therefore, feel they are powerless over their environments. Positive core self-evaluation correlates job satisfaction and job performance.

ii. **Machiavellianism:** This personality characteristic is named after Niccolo Machiavelli. Machiavellianism refers to the extent a person is pragmatic, emotionally distant and believes that the end justifies the means. Studies show that those who score high on Machiavellianism (high Mach) tend to win, manipulate and persuade others (but are less persuaded by others), are less satisfied by their jobs, more stressed and engage in counterproductive behaviors than low Machs. High Machs performs better when the job requires face-to-face interactions, when there is minimal formalization, and when emotional considerations distract low Machs.

iii. Self-Monitoring: Self-monitoring describes a person's ability to adapt his or her behavior to suit external situational factors. Persons high on self-monitoring are very sensitive to external situations and can easily adapt their behaviors to suit such situations. Such people can be described as chameleons whose colors reflect the environment; they find themselves. They pay close attention to the behavior of others and conform. They are appraised more favorably, have the tendency to emerge as leaders, and show less organizational commitment. Managers that score high on self-monitoring tend to enjoy quick promotions and easily change job positions and organization.

People who score low on self-monitoring tend to consistently exhibit their true dispositions in all situations. They are not politically inclined. They tend to irritate bosses and colleagues because they are unable to pretend or disguise their real feelings, opinions, and attitudes even when it is unpopular.

iv. **Risk Taking:** Individuals differ in their propensity to take risk. Those who have high propensity to take risk are inclined to take quick decisions on less information than those who are risk averse. Earlier studies show that entrepreneurs are more willing to take risk than managers in large corporations but recent studies show that the reverse is the case. High risk takers do well in jobs that require risk-taking for example stock trading and many other businesses, while risk averse individuals do well in jobs that do not require risk-taking, e.g. civil service jobs, etc. A mismatch may cause problems for the individual and organization.

v. **Proactive Personality**: Proactive persons create change irrespective of the circumstances. They are leaders, change agents, good at interpersonal interactions, and tend to be satisfied with their jobs and, therefore, engage in organizational citizenship behaviors. They possess entrepreneurial abilities, are loyal to their organizations, conscientious and good at building information and relationship network, etc.

Self-Assessment Exercise

Mention and explain the frameworks used in identifying and classifying personality traits?

2.7 Summary

We have seen that personality can derive from heredity. Myers-Briggs Type Indicator (MBTI) and the Big Five Personality Model are the most widely used instruments for personality evaluation. Besides the traits identified by these two frameworks, there are other personality traits that are relevant to organizational behavior, e.g. self-esteem, Machiavellianism, self-monitoring, risk-taking, proactive personality.

In this unit, we also studied the meaning of personality, determinants of personality, methods of evaluating personality, and other personality traits that are relevant to organizational behavior

2.8 References/Further Readings/Web Resources

Gibson, J.L., Ivancevich, J.M., & Donnelly, Jr., J.H. (1994). *Organizations*, (9th ed.). Boston: Irwin/McGraw-Hill.

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2.9 Possible Answers to Self-Assessment Exercise

There are two important frameworks used in identifying and classifying personality traits, namely; the Myers-Briggs Type Indicator and the Big Five Personality Model.

UNIT 3 PERCEPTIONS AND INDIVIDUAL DECISION-MAKING

Unit Structure

3.1 Introduction
3.2 Learning Objectives (LOs)
3.3 Meaning of Perception
  3.3.1 Factors That Influence Perception
3.4 Person Perception
  3.4.1 Common Shortcuts in Person Perception
3.5 Decision-Making in Organizations
3.6 Common Biases and Errors in Decision-making
3.7 Summary
3.8 References/Further Readings/Web Resources
3.9 Possible Answers to Self-Assessment Exercise(s)

3.1 Introduction

We all try to interpret and make sense of our sensory impressions on daily basis. You may not realize this, but you are always interpreting other people's actions and reactions, in your efforts to make sense of the events happening around you. Your conclusions are important to you, irrespective of whether it is the reality or not. Like it has been rightly said, the world that you perceive is the world that exists. And very importantly, people's interpretation (perception) of people, events, or situations informs your behavior. For example, if workers perceive that their employing organization is not taking adequate care of their interest, it may make them to put in less effort at work, come late to work, and leave before the close of work, etc. The opposite will happen if the workers perceive their organization to be taking very good care of their interests. This relationship between perception and behavior makes it an important issue in the management of organizations.

3.2 Learning Outcomes (LOs)

By the end of this unit, you will be able to:

- explain the meaning of perception
- identify the factors that influence perception
- identify common shortcuts in person perception
- explain decision-making in organizations
- identify common biases and errors in decision-making.

3.3 Meaning of Perception

Perception is "a process by which individuals organize and interpret their sensory impressions in order to give meaning to their environment." (Robbins *et al.* 2013, p.176). Perception is important in organizational behavior because individuals' behaviors are products of their perceptions of what reality is, not necessarily on objective reality. An individual's perception of reality can be, and is often different from objective reality.

3.3.1 Factors That Influence Perception

The factors that influence perception are the perceiver, target, and context.

- **Perceiver**: A person's interpretation of what he or she experiences is influenced by his or her personal experiences such as educational background, level of exposure, personality, interest, motives, expectations.
- **Target**: A person's interpretation of what he or she experiences is also influenced by the characteristics of the target or object. For example, noisy people or those dressed in very bright colors, or are extremely beautiful or ugly, are easily noticed in a group of people.
- **Context**: The time and place of an event influence the way it is perceived. For example, a lecturer giving a female student a ride from school on a working day may be perceived differently from the same lecturer giving the same female student a ride on a Saturday night in the direction of a popular night club. The perceiver and targets remain the same, but the context is different.

3.4 Person Perception

This refers to the perceptions people make about others. When we observe others, we try to understand and explain their behaviors.

- Attribution theory tries to determine whether a particular behavior is caused by internal or external factors. Behavior is said to be caused by internal factors if the behavior is within the person's control. On the other hand, behavior is said to be caused by external factors if the behavior is outside the person's control. For example, a person who goes late to work due to armed robbery operation that blocked his only route to work, did so due to circumstances beyond his control; so, there is external attribution. But a person, who goes to work late because he refused to leave for work on time, did so due to circumstances within his control; so, there is internal attribution.

In determining whether the behavior is due to internal or external attribution, we consider three factors namely; distinctiveness, consensus, and consistency of the person's behavior.

- Distinctiveness**:** This considers whether the behavior is similar to the person's behavior in other situations, or not. If the person's behavior is similar to his or her usual behavior, it is given an internal attribution, but if it not similar (high distinctiveness) it can be given an external attribution.
- Consensus**:** If everybody that was confronted by similar situation responded in the same way, then there is consensus. For example, there is consensus if all the people who took the same route that was

attacked by armed robbers went late to work (external attribution), but if some people in the same situation went to work on time, then there is low consensus, which suggests internal attribution.

- Consistency**:** Here you consider whether this particular behavior is similar to the person's previous behaviors over a period of time, or not. Continuing with the lateness example, has this particular person been frequently late to work over the past couple of months, or not? If the person has been frequently late there is high consistency and behavior can be considered to be internally caused, but if he or she has not been late in the past couple of months, then there is low consistency, and the behavior can be said to be externally caused.

Studies show that attributions are distorted by errors and biases. For example, judgments of other people's behavior tend to overestimate internal factors and underestimate external factors. This is called fundamental attribution error.

Another distortion comes from the attribution of success to internal factors, and attribution of failure to external factors. For example, when students pass their exams, they attribute it to their efforts or abilities, but when they fail a course, they blame the "wicked" course lecturer. This is called self-serving bias.

3.4.1 Common Shortcuts in Person Perception

i. Contrast Effect

This is the judgment of somebody's characteristics or behavior by comparing it to the characteristics or behavior of another person that was recently encountered, which may distort perception. For example, a students' performance during project defense can be distorted by the student's position in the list. If the student is preceded by more intelligent students, he or she may receive very unfavorable assessment; but if the student is preceded by poorly intelligent students, he or she may receive a favorable assessment as a result of examiners comparison of the student's performance to that of the students immediately preceding him or her. This applies to job interviews too.

ii. **Halo Effect**

This is the tendency to draw a general impression about a person based on a single characteristic, e.g. diligence, benevolence, appearance, intelligence, etc. In other words, the judge allows a single trait to influence his or her general impression of the individual being judged.

iii **Stereotyping**

Stereotyping is to judge people based on your perception of the group the person belongs to, viz. race, ethnicity, religion, age, gender, profession, etc. For example, if you say "Teachers are poor" or "Economists are stingy," "Police officers are corrupt," you are engaging in stereotyping. These generalizations help us to simplify complexities and take quick decisions but can become problematic when the generalization is incorrect with respect to a particular individual or situation. That may result to injustice and unfairness.

iv. **Selective Perception**

It is impossible for anyone to observe everything that goes on around him or her. So individuals tend to engage in selective perception that is to selectively interpret what they observed in line with their background, attitude, interest, and experience.

These shortcuts apply in specific ways in organizations.

- Perceptual judgments, significantly apply in job interviews and performance appraisal and these perceptions are often inaccurate. Applicants' performance at job interview hinges on the interviewers' perception of the candidate's impression within the first few minutes of the interview.
- Performance appraisals of many employees largely depend on subjective evaluations which are prone to errors and biases such as selective perception, contrast effects, halo effects, fundamental attribution error, etc.
- Our perceptions also affect our individual decision-making in organizations. Managers and non-managers make work-related decisions on what products to offer, who to employ, how much effort to exert at work, etc. How the decisions are made and the quality of the decisions depends on individual perception of the problem and the alternative solutions. The screening, processing, interpretation and application of data towards decision-making are also influenced by the perception of the individual involved. So, perception is important in individual decision-making process.

3.5 Decision-Making in Organizations

Decision-making models include the following:

- **Rational Decision-Making**

The rational decision-making model has six steps namely;

- Define the problem
- Identify the decision criteria
- Allocate weights to the criteria
- Develop the alternatives
- Evaluate the alternatives
- Select the best alternative

It is assumed that the decision maker:

- Has complete information
- Is able to objectively identify all options
- Is able to choose the optimal solution.

However, most decisions, in reality, do not seek optimal solution instead people use their judgment to find reasonable solutions to the problems they seek to solve.

- **Bounded Rationality**

Obtaining an optimal solution based on rational decision-making may be difficult to achieve because many problems are too complex to be solved using the rational decision-making model, and because it is impossible for human beings to process, assimilate, and understand all the information needed to fully optimize decision-making.

Consequently, most people adopt bounded rationality, i.e. to capture the essential features of the problem (leaving out the complexities), to form simplified models within which individuals can behave rationally.

People seek satisfactory solution rather than optimal solution.

Under bounded rationality, when a problem is identified; in-exhaustive, familiar criteria and alternatives are sought and reviewed to find an alternative that satisfies an acceptable level of performance, not optimize it.

- **Intuitive Decision-making**

This can be described as an unconscious process of making decisions from accumulated and refined experience. It is a hunch, a gut feeling, which is outside of conscious thought. Though it is not a rational decision-making method, it is nonetheless useful and can be used to augment rational analysis. Intuitive decision-making should not be solely relied on.

3.6 Common Biases and Errors in Decision-Making

1. **Anchoring Bias:** This is inclination to focus on initial information and fail to adequately consider subsequent information received. The reason for this is that our minds tend to allocate a larger amount of emphasis to the information it receives first. For example, in negotiations the first offer usually anchors the other party's offer setting a range for negotiation. More precise anchors give room for smaller adjustments.
2. **Availability Bias**: This is the tendency to base our judgment on readily available information. Recent or emotional events tend to be remembered more often, which makes us to overrate the probability of unusual events happening because it happened recently and was over-hyped in the media. Availability bias also

explains why managers accord greater weight to recent employees' behaviors than long past behaviors.

3. **Confirmation Bias:** This is the view that we tend to gather information that confirm the views we hold. Individuals tend to seek out information that agrees with their past choices and to ignore information that contradicts them. We also tend to patronize sources of information that would support the views we hold. Furthermore, we tend to accept information that support our views without much questioning but are critical of information that questions the views we hold.
4. **Escalation of Commitment:** This refers to increased commitment to a decision in spite of clear evidence that the decision was wrong. Those who invest time and effort into a wrong decision tend to escalate commitment as a way of proving that the decision was not wrong. When managers escalate commitment, they continue to waste organizational resources in an already bad decision, policy or project.
5. **Hindsight Bias:** This is the tendency to falsely believe that you would have correctly predicted the outcome of an event, after the outcome of the event is known. The outcome of an event might seem obvious it is known, but not during the event. So many people falsely believe they would have been able to accurately predict the outcome, which many experts were not even able to predict. Hindsight bias makes peoples to overestimates their ability to predict outcomes, and impedes their ability to learn from past events because they erroneously believe they would have been able to predict the outcome after all.
6. **Overconfidence Bias:** We tend to be overconfident in our judgment and decision-making. Our answers to factual questions tend to be way too optimistic. Studies show that when people claim 100% certainty of an outcome, they tend to be 70 to 80% correct. The negative effects of overconfidence appear everywhere, e.g. overconfidence or over-optimism tend to make entrepreneurs and investors not to adequately and proactively consider and plug loopholes in their plans before the problems surface. Studies show that those who are weakest in intellectual and interpersonal abilities are most likely to overestimate their ability and performance.
7. **Randomness Error**: Randomness error refers to individuals' belief that they can predict the outcome of random events. Some people tend to develop meanings and imaginary patterns out of random events, and may even turn this into superstitions, which may bias individual judgments and decision making.

Self-Assessment Exercise

Identify common biases and errors in decision-making.

3.7 Summary

From our discussions in this unit, we conclude that employees' perception is an important factor in determining their behavior and should, therefore, be monitored and influenced by managers. Perception also affects individual decision-making. However, person perception and decision-making can be distorted by biases and errors, which can be mitigated by our understanding and consciousness of such tendencies.

In this unit, we also discussed the meaning of perception, factors that influence perception, person perception and its shortcuts, individual decision-making, and common biases and errors in individual decision making.

3.8 References/Further Readings/Web Resources

Gibson, J.L., Ivancevich, J.M., & Donnelly, Jr., J.H. (1994). *Organizations*, (9th ed.). Boston: Irwin/McGraw-Hill.

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3.9 Possible Answers to Self-Assessment Exercise

Anchoring Bias, Availability Bias, Confirmation Bias, Escalation of Commitment, Hindsight Bias, Overconfidence Bias and Randomness Error

UNIT 4 JOB SATISFACTION

Unit Structure

4.1 Introduction
4.2 Learning Outcomes (LOs)
4.3 Meaning of Job Satisfaction
    4.3.1 Sources of Job Satisfaction
    4.3.2 Potential Responses of Dissatisfied Workers
4.4 Effect of Job Satisfaction on Work Variables
4.5 Summary
4.6 References/Further Readings/Web Resources
4.7 Possible Answers to Self-Assessment Exercise

4.1 Introduction

We all want to be happy! Including being happy with our jobs! When you are happy with your job, you will be proud of your job and willing to stay with your organization; you will be happy to go to work, put in your best effort and even go beyond your line of duty to help your colleagues at work, etc. It is important for an organization to have happy employees because it affects their motivation, commitment, performance, organizational citizenship behavior, etc. Therefore, managers need to understand how to make their employees satisfied (happy) with their jobs.

4.2 Learning Outcomes (LOs)

By the end of this unit, you will be able to:

- explain the meaning of job satisfaction
- identify the sources of job satisfaction
- discuss potential responses of dissatisfied workers
- explain the effect of job satisfaction on some important work variables.

4.3 Meaning of Job Satisfaction

Job satisfaction describes a person's positive feeling about his or her job resulting from his or her evaluation of the characteristics of the job.

It can be measured in two ways namely; a single global rating and summation of job facets. Both methods are reliable measures of job satisfaction.

In the single global rating method, respondents respond to one question or questionnaire item aimed at evaluating their job satisfaction on a Likert scale ranging from "highly dissatisfied" to "highly satisfied."

The second method, summation of job facets, a researcher identifies key elements of a job (e.g. pay, promotion opportunities, supervision, nature of the work, etc.) and asks respondents to rate each of them on a standardized scale. The researcher aggregates the ratings to determine the job satisfaction score of the respondents.

4.3.1 Sources of Job Satisfaction

- Jobs that provide training, variety, independence, and control satisfy most employees.
- Social context of workplace: interdependence, feedback, social support and interaction with co-workers outside the workplace.
- For poor people, pay does correlate with job satisfaction but disappears when an individual reaches a level of comfortable living.
- Personality also plays a role. People with positive core self-

evaluation, who believe in their inner worth and basic competence, are more satisfied with their jobs than those with negative core self-evaluation.

4.3.2 Potential Responses of Dissatisfied Workers

- What employees do (response) when they dislike their jobs can be described with a theoretical model called exit-voice-loyalty-neglect framework.
- Exit – In this case the employee directs his or her behavior towards searching for a new position or quitting the organization.
- Voice – Here, affected employees constructively engage their superiors with suggestions on how to improve their conditions. They may also engage in union activities to voice their grievances and seek redress.
- Loyalty – This involves affected employees patiently waiting and hoping that their conditions improve, without doing anything about it.
- Neglect - In this instance, the affected employee resigns to fate and allows his or her conditions to worsen. He or she slips into tardiness, absenteeism, lack of commitment, reduced effort at work.

Note: Exit and neglect affect performance variables namely; turnover, absenteeism, and productivity, while voice and loyalty are constructive behaviors that allow employees to stay on their jobs while making efforts or hoping that their conditions will improve.

4.4 Effect of Job Satisfaction on Work Variables

i. Job Satisfaction and Absenteeism

Studies show a moderate negative relationship between job satisfaction and employee absenteeism. However, other factors affect absenteeism, irrespective of whether employees are satisfied or not. For example, availability of sick leave with pay encourages employees to take advantage of it, even when they are not sick.

ii. **Job Satisfaction and Counterproductive Behaviors**

Job dissatisfaction may result in unfriendly relationships with other workers and employees' engagement in other counterproductive behaviors such as tardiness, substance abuse, stealing from their employers, lazing at work, etc.

iii. Job Satisfaction and Customer Satisfaction

Studies show that satisfied frontline workers increase customer satisfaction and loyalty. Satisfied employees tend to give quality service to customers in a friendly and caring manner.

iv. Job Satisfaction and Employee Turnover

Studies show strong correlation between job satisfaction and employee turnover. Job dissatisfaction is more likely to result to turnover if it is easy for employees to get employed elsewhere. Secondly, dissatisfaction among highly knowledgeable and highly skilled people is likely to turn to turnover because such people can easily move to other organizations.

v. **Job Satisfaction and Job Performance**

Research evidence suggests a strong positive correlation between job satisfaction and job performance both at individual and organizational level. In other words, people who are happy with their work tend to produce more than those who are not happy with their work.

vi. Job performance and Organizational Citizenship Behavior

Studies show moderate correlation between job satisfaction and organizational citizenship behavior (OCB). In other words, people who are happy with their jobs tend to be happy to give back to the organization by going beyond their call of duty to engage in altruistic behavior towards their colleagues and organization.

However, many managers do not take issues of job satisfaction seriously, in spite of the obvious relationship between job satisfaction and important organizational variables, which influence outcomes such as profitability. Some managers assume that their workers are more satisfied than they actually are. Organizations should, therefore, conduct regular surveys to evaluate their employees job satisfaction and address issues that may cause dissatisfaction.

Self-Assessment Exercise

What are the potential responses of dissatisfied workers

4.5 Summary

Job satisfaction is very important in organizations due to its pervasive effect on employees' behavior in organizations, which can mean the success or failure of the organization. Managers should, therefore, pay close attention to issues relating to their workers satisfaction with their jobs.

In this unit, we have also considered the meaning and sources of job satisfaction, possible responses of dissatisfied workers, and the effect of job satisfaction on some important work-related variables.

4.6 References/Further Readings/Web Resources

Gibson, J.L., Ivancevich, J.M., & Donnelly, Jr., J.H. (1994). *Organizations*, (9th ed.). Boston: Irwin/McGraw-Hill.

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4.7 Possible Answers to Self-Assessment Exercise

Potential Responses of Dissatisfied Workers are:

- What employees do (response) when they dislike their jobs can be described with a theoretical model called exit-voice-loyalty-neglect framework.
- Exit – In this case the employee directs his or her behavior towards searching for a new position or quitting the organization.
- Voice – Here, affected employees constructively engage their superiors with suggestions on how to improve their conditions. They may also engage in union activities to voice their grievances and seek redress.
- Loyalty – This involves affected employees patiently waiting and hoping that their conditions improve, without doing anything about it.
- Neglect - In this instance, the affected employee resigns to fate and allows his or her conditions to worsen. He or she slips into tardiness, absenteeism, lack of commitment, reduced effort at work.

UNIT 5 EMOTIONS

Unit Structure

5.1 Introduction
5.2 Learning Outcomes (LOs)
5.3 Meaning of Emotion/Mood
 5.3.1 Basic Emotions
 5.3.2 Functions of Emotions
 5.3.3 Emotional Labor
 5.3.4 Emotional Intelligence
 5.3.5 Emotional Regulation
5.4 Applications of Emotions and Moods in Organizational Behavior
5.5 Summary
5.6 References/Further Readings/Web Resources
5.7 Possible Answers to Self-Assessment Exercise(s)

5.1 Introduction

Some days you appear to get up from the wrong side of the bed. You are pensive and irritable, often taking it out on people around you. At other times, you are happy, friendly, and easy to get along with. The emotions you display make it easy or difficult for people to interact with you. Your emotions may also affect your performance and that of people working with you. That will, in turn, affect organizational performance.

Furthermore, organizations often require their employees to display certain emotions when relating to colleagues and customers. Sometimes, the required emotion may be different from the way you actually feel, leaving you in a position in which you display a false emotion because it is different from how you feel. This is called emotional dissonance, which has implications on your performance, health, and other important work-related variables. So, it is important that managers understand employees' emotions and how to help employees to better manage their emotions in the workplace.

5.1 Learning Outcomes (LOs)

By the end of this unit, you will be able to:

- explain the meaning of emotions
- identify basic emotions
- discuss the functions of emotions
- explain emotional labor, emotional intelligence, and emotional regulation
- discuss the applications of emotions in organizational behavior.

5.3 Meaning of Emotion/Mood

- **Emotion**

* Emotion is an intensive feeling towards something or someone, e.g. anger, happiness, frustration, love, fear, surprise.
* Emotion can downgrade into mood and mood can exacerbate emotion. For example, a specific positive emotion, say happiness, may dissipate leaving the person feeling generally good spirited (mood) which cannot be ascribed to any specific event or object.

o Emotion is caused by a specific event; it is specific and of many types and Can only last briefly (seconds or minutes)

o Usually accompanied by specific facial expressions

o It is action-oriented.

- **Mood**

- Mood is a less intensive feeling and not directed at something or someone
- Mood is caused by a general and non-specific event
- Has two main dimensions (positive and negative)
- Lasts longer than emotions (hours or days)
- Not indicated by any specific facial expression
- It is cognitive-oriented.

5.3.1 Basic Emotions

There are very many emotions including enthusiasm, disappointment, envy, contempt, pride, hope, desire, etc. However, there is no consensus on whether there are basic emotions or what constitutes it. Emotions are too complex and its expressions/interpretations are influenced by cultural norms in different countries of the world, creating so much heterogeneity for any possible consensus. Nonetheless, many researchers agree on six universal emotions namely; anger, fear, sadness, happiness, disgust ad surprise.

5.3.2 Functions of Emotions

Emotions are crucial to rationality. Loss of emotions results to loss of reasoning. Good decision-making requires both thinking and feeling.

Ethical behavior requires emotions and feelings to accept guilt over misdemeanors, sympathies with others, condemn injustice, etc. Ethical decisions are based on emotions and feelings.

5.3.3 Emotional Labor

Work requires not only physical and mental labor but also require emotional labor, especially for service providers.

Emotional labor can be described as a situation in which an employee is compelled to display emotions that are different from his or her felt emotions because such emotions are required by his or her organization during interpersonal interactions at work. For example, workers should be courteous to their colleagues and customers; nurses and doctors should show no emotion; shop attendants should be cheerful, etc.

Sometimes, the actual emotion of the employee (felt emotion) is the same with the emotion he or she is required to express (displayed emotion), but at other times, displayed emotion is different from felt emotion (emotional dissonance).

Organizations expect employees to suppress felt emotions in favor of displayed emotions (surface acting). An employee being cheerful at customers when she actually feels sad is an example of surface acting. But the employee can make effort to actually feel cheerful instead of sad. This is called deep acting. Studies show that surface acting is stressful and exhausting because of the emotional dissonance, and employees should be given breaks to rest and relax.

5.3.4 Emotional Intelligence

Emotional intelligence (EI) is described as a person's ability to:

- Perceive emotions in his or herself and in other people
- Correctly interpret these emotions
- Control his or her emotions.

Studies suggest a correlation between emotional intelligence and job performance. Proponents of emotional intelligence further flaunt its intuitive appeal, and biological base. However, opponents of emotional intelligence argue that there is no consensus on the definition of emotional intelligence: some use ability-based approach while others use self-report measurement approach, which are different definitions and barely correlate each other.

5.3.5 Emotional Regulation

Emotional regulation involves the identification and modification of emotions ie that is individuals feel. One can modify emotions by:

- Suppressing negative thoughts
- Re-evaluating the situation or incident
- Engaging in pleasant conversions or thoughts, etc.

Some people are good at emotional regulation while others are not, e.g. low self-esteem people.

Disadvantages of emotional regulation include:

- Exhaustion from trying to suppress an emotion
- Worsening the emotion, you want to change by focusing on it, etc.

5.4 Applications of Emotions and Moods in Organizational Behavior

a. Positive emotions and moods help in making good and quick decisions, and help in boosting problem-solving skills. Emotionally depressed people make poorer decisions because they process information slowly, looking for an elusive perfect solution.

b. Emotions and moods have been shown to influence motivation. Happiness and positive feedback crate positive mood, which leads to higher motivation and better performance.

c. Employers should consider emotional intelligence as an important requirement in employee selection, especially for job positions with high interpersonal interactions. Studies have found employees with high emotional intelligence perform better on such jobs than those with low emotional intelligence.

d. Employees' emotions and moods affect customer satisfaction and retention. Emotional contagion means employee emotions can be transferred to customers, *vice versa*. For example, employees' cheerfulness and friendliness can, and do elicit similar reactions from customers, which can make them shop longer, repeat patronage, refer customers, etc. Negative emotions and moods are also contagious.

e. Studies show that good moods produce creativity than bad moods. Organizations should, therefore, keep their employees happy in order to boost creativity. However, some people argue that good moods may make people complacent and not engage in creative thinking.

f. A leader's ability to incorporate emotional appeal to his or her subordinates is a critical factor in making them buy into the leader's visions, programmes, and its accompanying change. The positive emotional content of a leader's speech activates greater optimism, enthusiasm, positive atmosphere, etc., that improve employee organizational performance.

g. However, in a bid to display positive emotions, employees may experience emotional dissonance, which over time reduce job satisfaction and performance due to burnout, etc.

h. Bad moods can result to injury in the workplace due to fear and anxiety, which can reduce individuals' ability to effectively cope with hazardous situations. Negative moods can also cause distractions that can lead to injury at work.

i. Finally, negative emotions and mood may result to counterproductive behaviors. For example, anger or envy can make people to malign, backstab, and be hostile to other people

Self-Assessment Exercise

Explain the concept of emotion and mood.

5.5 Summary

From our discussion in this unit, we saw that emotions are linked to rationality and ethical behavior, performance, creativity, motivation, customer satisfaction and retention, counterproductive behaviors, and injury. It is, therefore, important for managers and organizations to help their workers to master their emotions through emotional intelligence and regulation, for instance.

In this unit, we also studied the meaning of emotions, basic emotions, functions of emotion, emotional labor, emotional intelligence, emotional regulation, and applications of emotions and moods in organizations.

5.6 References/Further Readings/Web Resources

Gibson, J.L., Ivancevich, J.M., & Donnelly, Jr., J.H. (1994). *Organizations*, (9th ed.). Boston: Irwin/McGraw-Hill.

Hellriegel, D., & Slocum, Jr. J.W. (2011). *Organizational Behavior* (13th ed.). Mason, OH: South-Western, Cengage Learning.

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Robbins, S.P., Judge, T.A., & Vohra, N. (2013). *Organizational Behavior* (15th ed.), Delhi: Dorling Kindersley (India) Pvt. Limited.

5.7 Possible Answers to Self-Assessment Exercise(s)

- **Emotion** is an intensive feeling towards something or someone, e.g. anger, happiness, frustration, love, fear, surprise.
- Emotion can downgrade into mood and mood can exacerbate emotion. For example, a specific positive emotion, say happiness, may dissipate leaving the person feeling generally good spirited (mood) which cannot be ascribed to any specific event or object.
- Emotion is caused by a specific event,
- Is specific and of many types,
- Can only last briefly (seconds or minutes)
- Usually accompanied by specific facial expressions
- Is action-oriented.

Mood

- Mood is a less intensive feeling and not directed at something or someone
- Mood is caused by a general and non-specific event
- Has two main dimensions (positive and negative)
- Lasts longer than emotions (hours or days)
- Not indicated by any specific facial expression,
- Is cognitive-oriented.

UNIT 6 MOTIVATION

Unit Structure

6.1 Introduction
6.2 Learning Outcomes (LOs)
6.3 Meaning of Motivation
6.4 Early Theories of Motivation
   6.4.1 Hierarchy of Needs Theory
   6.4.2 Theory X and Theory Y
   6.4.3 Two Factor Theory (Motivation-Hygiene Theory)
6.5 Contemporary Theories of Motivation
   6.5.1 Self-Determination Theory
   6.5.2 Equity Theory/Organization Justice
   6.5.3 Referents
   6.5.4 Expectancy Theory
6.6 Summary
6.7 References/Further Readings/Web Resources
6.8 Possible Answers to Self-Assessment Exercise(s)

6.1 Introduction

Sometimes, you find yourself working very hard at achieving a particular goal for as long as it takes to achieve that goal. It may be in completing a book, building a house, planning a wedding, or achieving work assignments, etc. You were motivated! At other times, however, you were neither interested in working that hard, nor pursuing a particular goal. You were not motivated. You tend to achieve many goals when you are motivated to pursue those goals. Conversely, you achieve little or nothing when you are not motivated. Even as a student, you tend to attend classes more regularly, study harder, do assignments, and perform better in examinations when you are motivated to earn a degree. The reverse is the case when you are not motivated. Organizations need motivated employees to achieve organizational goals. Effective managers are those managers that know how to motivate their workers to consistently put in their best efforts at work.

6.2 Learning Outcomes (LOs)

By the end of this unit, you will be able to:

- explain the meaning of motivation
- discuss some of the early theories of motivation
- explain some of the contemporary theories of motivation.

6.3 Meaning of Motivation

Motivation involves intensity and persistence of effort toward the achievement of a goal. Intensity refers to how hard a person works; the direction refers to the purpose the effort is channeled to (which in the context of organizational behavior is the attainment of organizational goals); while persistence refers to how long the person keeps making the effort, which should be long enough to attain the desired goals. So, we can define motivation in Organization Behavior more specifically as the processes that account for an individual’s intensity and persistence of effort towards attaining organizational goals.

6.4 Early Theories of Motivation

The following are some of the early theories of motivation put forward in the 1950s and they form the foundation of contemporary theories on motivation. However, the validity of these early theories is largely unsupported by data.

6.4.1 Hierarchy of Needs Theory

This theory was propounded by Abraham Maslow. He opined that every human being faces a hierarchy of five needs namely; physiological, safety, social, esteem and self-actualization needs.

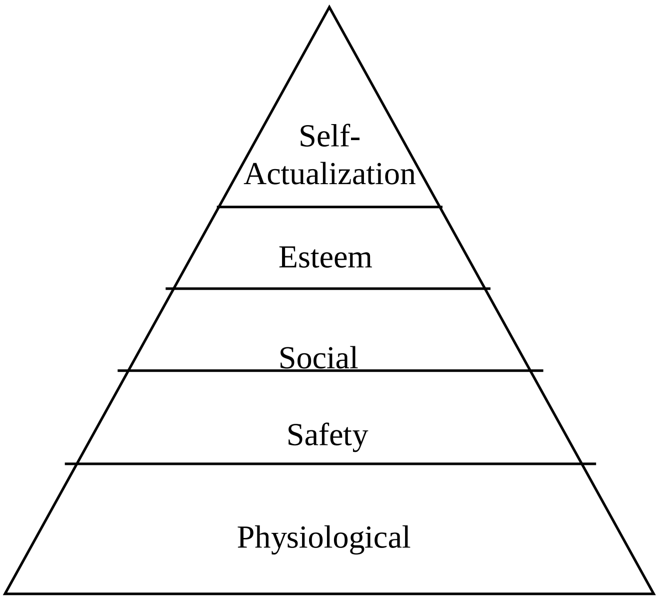

Figure 1: Abraham Maslow's Hierarchy of Needs

- o Physiological needs refer to basic human needs and include food, shelter, clothing etc.
- o Safety needs refer to security and protection of human life, property and source of livelihood.
- o Social needs are need for acceptance, friendship, love, affection and relationship.
- o Esteem needs consists of internal and external components. Internal component of esteem need includes need for self-respect, achievement and autonomy, while the external component includes

need for recognition, status, attention.

- o Self-actualization need refers to need for fulfilment, growth and achievement of individual potentials.

The insatiable nature of human beings means that no need can be fully satisfied but they can be substantially or reasonably satisfied. A substantially satisfied need ceases to be dominant and is taken over by another need. Maslow opined that the key to motivating an employee is to understand the hierarchy of need that the person is on, and try to satisfy those needs as well as those on the next level.

Abraham Maslow divided the five hierarchies of needs into lower and higher order needs.

- o Lower order needs consist of physiological and safety needs.
- o Higher-order needs consist of social, esteem and self-actualization needs.
- o The difference between lower-order and higher-order needs is that lower-order needs are satisfied externally (i.e. outside of the person), while higher-order needs are satisfied internally (i.e. inside the person).

Though this theory is popular among managers, it is not empirically validated.

6.4.2 Theory X and Theory Y

These theories propounded by Douglas McGregor represent two different views of human beings. Theory X is based on a negative view of workers, while Theory Y is based on a positive view of workers. Theory X assumptions are negative. For example, it assumes that employees inherently dislike work and, therefore, must be coerced, directed, or threatened with punishment before they can perform. Conversely, Theory Y assumptions are positive. For example, it assumes that work is natural to employees just as play or rest are. They, therefore, need not be coerced before they can perform.

Theory X assumes that employees are dominated by lower-order needs, while Theory Y assumes that employees are dominated by higher-order needs. McGregor himself subscribed to the assumptions of Theory Y, which he believed were more valid than the assumptions of Theory X. Consequently, McGregor proposed responsible and challenging jobs, participative decision-making and good group relations as ways of maximizing employee’s job satisfaction. However, there is no empirical validation of either Theory X or Theory Y.

6.4.3 Two Factor Theory (Motivation-Hygiene Theory)

Fredrick Herzberg wanted to know what people wanted from their jobs, by asking people to describe situations in which they felt exceptionally good or exceptionally bad about their jobs. From the data collected, Herzberg found as follows:

- Satisfied workers attribute the factors to themselves e.g. responsibility, achievement, recognition, etc. (motivational factors), while dissatisfied workers attributed it to factors outside of themselves e.g. pay, working condition, supervision, company policies, etc. (hygiene factors).

- Dissatisfaction is not the opposite of satisfaction, as was thought. The opposite of "satisfaction" is "no satisfaction," while the opposite of dissatisfaction is "no dissatisfaction." This is because he found that the factors that lead to job satisfaction are distinct from the factors that lead to job dissatisfaction.

- The removal of factors that create job dissatisfaction (hygiene factors) may not necessarily result in employee motivation.

- Herzberg was of the view that intrinsic factors such as responsibility, achievement recognition, promotional opportunities etc., were the factors that can motivate employees.

However, this theory is not well validated empirically. Its criticism relates majorly to its methodology- its reliability, reliance on self-reporting, no overall measure of satisfaction, etc.

6.5 Contemporary Theories of Motivation

These theories of motivation reflect recent thinking on how employees are motivated.

6.5.1 Self-Determination Theory

This theory is of the view that people prefer to feel that they freely determine their actions, that is, that they have control over their actions. Anything or situation that makes them feel that they have lost control over their action will compromise their motivation.

Besides autonomy, this theory is of the view that people seek opportunities to achieve competence and positive relationship with other people.

The effect of extrinsic reward and work standards on motivation depends on whether or not the employee considers them as being coercive or not. When an employee considers them coercive, his or her motivation will be compromised because it takes away his or her control over his or her actions. But if they allow the employee to exercise control over his or her behavior, it will have positive effect on intrinsic motivation.

The implication of this theory is that people should choose their jobs for intrinsic reasons, not just extrinsic reasons. On the side of organizations, managers should provide intrinsic rewards as much as extrinsic rewards. Employees' autonomy helps them to exercise some control over their work behaviors and, therefore, experience more motivation and commitment.

6.5.2 Equity Theory/Organization Justice

Employees perceive their work outcome (e.g. remunerations, recognition, position,) and their input (e.g. effort, education, experience), and compare their outcome-input ratio with the outcome input ratio of relevant others. An employee perceives equity or fairness/justice when his or her outcome-input ratio and that of relevant others (O/IA = O/IB). There is inequity, unfairness, injustice, when the employee perceives that his or her outcome-input ratio is less than that of relevant others (O/IA < O/IB) – under-reward, or that his or her outcome-input ratio is greater than that of relevant others (O/IA > O/IB) – over-reward. A stage of inequity creates tension: under-reward creates anger while over-reward creates guilt. Tension creates the motivation to take corrective measures.

6.5.3 Referents

There are four referent comparisons the employees can make namely;

- o Self-inside: The employee's experiences in another position in the same organization.
- o Self-outside: The employee's experiences in another organization.
- o Other-inside**:** Another employee or group of employees in the same

organization.

- Other-outside: Another employee or group of employees in another organization.

However, these comparisons are moderated by four variables namely, length of service, level of education or professionalism, gender, and position in the organization.

Employees that feel inequity can make any of the following choices;

- Change inputs
- Change outcomes
- Distort perceptions of self
- Distort perceptions of others
- Choose a different referent
- Quit.

However, some of the propositions of equity theory have not been supported. For example:

- Over-reward inequity appear not to significantly influence employee behavior because over-reward is either better tolerated or better rationalized, which compromises a part of the theory namely; that over-reward creates inequity.
- Some people prefer their outcome-input ratio to be less than that of relevant others, so equity theory's predictions may not be correct regarding this type of people.
- Some employees seek equity in non-monetary rewards such as official vehicles, well-furnished offices, high status, etc., and not just pay, which is the focus of equity theory research.
- Researchers have adopted a broader scope to the study of equity namely; organizational justice, which goes beyond distributive justice to include procedural and interactional justice. Procedural justice refers to the perceived fairness of the distribution process. Interactional justice refers to an employee's perception of the extent to which he or she is treated with dignity and respect.

Studies show that employees in all cultures prefer an equitable distribution of rewards to an equal distribution. The same basic principles of procedural justice are adhered to, while workers globally prefer performance-based rewards than seniority-based reward.

6.5.4 Expectancy Theory

Victor Vroom's expectancy theory posits that employees' tendency to behave in a particular way is a function of their expectation of a desired outcome. For example, an employee's motivation to exert a high level of effort may derive from his or her expectation that the effort will result in good performance appraisal, which will, in turn, attract organizational rewards like promotions, bonuses, salary increases, etc., that attracts his or her personal goals or desires.

Expectancy theory explains why some workers are motivated while others are not.

- o Employees will not make maximum efforts if they are not convinced that such efforts will lead to good performance appraisal. This lack of conviction may derive from the employee's skill deficiency, which means that he or she lacks the capacity to perform well; or from employee's conviction that he or she is hated by the manager. In these cases, the employee may suffer low motivation because he or she believes that no amount of effort will get him or her a good performance appraisal.
- o Employees tend to be highly motivated if the organization rewards performance. But if the organization rewards things other than performance (such as seniority, loyalty, etc.) employees are likely to be poorly motivated because of the poor link between rewards and performance.
- o Employees tend to be poorly motivated if the reward they get is not attractive to them, that is, they don't get the rewards they desired. For example, an employee who works hard in the expectation of getting a promotion may end up getting salary increment or a certificate of recognition. This may arise from a manager's failure to differentiate rewards to suit individual needs or the shortage of rewards to distribute. A situation in which rewards do not satisfy employees personal goals tend to be demotivating.

In spite of its criticism as having limited application, this theory explains why a substantial portion of the workforce applies little efforts on their jobs.

Self-Assessment Exercise(s)

Explain the concept of motivation in organization.

6.6 Summary

Motivation is critical to achieving superior performance and the actualization of organizational goals. Employees can be motivated by extrinsic or intrinsic rewards. It is the duty of managers to understand their subordinates as a way of understanding what motivates each of them. This is because individuals differ in terms of what motivates them; a "one cap fits all" approach does not apply to employee motivation.

You obviously understand that we could not review all the theories of motivation in this one unit, especially the contemporary theories. However, we were able to review some of the early theories namely; hierarchy of needs theory, theories X and Y, and hygiene theory. We also discussed some of the contemporary theories namely; self-determination theory, equity theory, and expectancy theory.

6.7 References/Further Readings/Web Resources

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6.8 Possible Answers to Self-Assessment Exercise(s)

Motivation in Organization Behavior refers to the processes that account for an individual's intensity and persistence of effort towards attaining organizational goals.

MODULE 3 GROUP BEHAVIOUR

Unit 1: Foundations of Group Behaviour
Unit 2: Communications
Unit 3: Work Teams
Unit 4: Leadership
Unit 5: Power and Politics in Organisations
Unit 6: Conflict and Negotiation
Unit 7: Organisational Structures/Design

UNIT 1 FOUNDATIONS OF GROUP BEHAVIOR

Unit Structure

1.1 Introduction to Foundations of Group Behavior
1.2 Learning Outcomes (LOs)
1.3 Meaning of Group
1.4 Stages of Group Development
1.5 Group Properties
1.6 Group Decision-Making
 1.6.1 Techniques for Group Decision-Making
1.7 Groupthink and Groupshift
1.8 Summary
1.9 References/Further Readings/Web Resources
1.10 Possible Answers to Self-Assessment Exercise

1.1 Introduction to Foundations of Group Behavior

Often times, individuals operate as members of groups, especially in organizational context. The use of the word "organization" implies working with other people. And many production activities require the involvement of people working as a group. The organization itself can be seen as a larger group, and there are other groups within the larger group, e.g. boards, committees, teams. Groups accomplish tasks that individuals are unable to accomplish, so groups are the preferred mode of operation for most enterprises. It is not surprising, therefore, that the study of groups is a key topic in organizational behavior.

1.2 Learning Outcomes (LOs)

By the end of this unit, you will be able to:

- explain the meaning of group
- identify the stages of group development
- identify group properties
- explain group decision-making process and techniques
- differentiate group-think and group-shift.

1.3 Meaning of Group

A group exists when two or more individuals come together to jointly achieve specific objectives. Groups can be formal or informal.

- Formal groups are groups that derive its existence from the organization structure and, therefore, have formal work responsibilities and recognition, e.g. work teams, project teams, ship crew, football teams, etc.
- Informal groups are the opposite of formal groups. They are groups that have no formal work responsibilities in an organization, do not formally derive their existence from the organization, and are not formally structured, e.g. employees who often find themselves lunching in the same restaurant or *mamaput*, or regularly board the same buses to or from work because they live in the same area, or drivers who regularly seat and chat at the same place while waiting for

their bosses, etc.

1.4 Stages of Group Development

There are several models of group development including five-stage group development model and punctuated-equilibrium model, etc. Here, we present the five-stage group development model made up of the following stages: forming, storming, norming, performing, and adjourning.

- **Forming Stage:** At this stage, the purpose of the group, its structure, leadership, and acceptable behavior are tentative. Members, at this stage, do not yet fully see themselves as part of the group.
- **Storming Stage:** Members have come to terms with its existence and their membership of the group, but are struggling with the limitations the group imposes on their individuality. This stage is marked by intra-group conflict until group leadership and authority issues are clarified.
- **Norming Stage:** After the intra-group conflicts of the storming stage have been surmounted, the group develop close relationships, cohesiveness, and "a strong sense of group identity". The group structure and its acceptable standards of behavior become firmly established.
- **Performing Stage:** Performing stage is the last stage of development for permanent work groups. This is the stage where the group settles into performing the tasks for which it was established.
- **Adjourning Stage:** At this stage, the group concludes its assignment preparatory to disbanding. The stage is, therefore, the last stage for temporary groups such as taskforces, committees, teams, etc., that are established to perform limited assignments.

Note that some of these stages take place simultaneously, and that a group may go through a stage faster than others.

1.5 Group Properties

Properties of a group are the characteristics of a group that help to explain and predict the performance of the group and the behavior of its members. Some of these properties are roles, norms, status, size, cohesiveness, and diversity.

- **Roles:** Role can be described as a set of behavior patterns expected of somebody occupying a social position. Every role has its role set, perception, and expectations. Role expectations are "the way others believe you should act in a given context". Organizations and their employees have role expectations of each other. Organizations have role expectations of its employees while employees have role expectations of their employing organizations. For example, employees expect their employing organizations to provide good and secured working environment, remunerate them justly and equitably, give them a fair day's work, provide feedback, etc., while the organization, on its part, expect its employees to be obedient, loyal and committed to it, etc. This is the so-called psychological contract between employers and employees. Any party that reneges on their role expectations attracts negative reactions from the other party. For example, an employee who decides to be recalcitrant or refuses to be adequately productive may receive queries, demotion, salary cuts, or even a sack. When management reneges on their role expectations, employees may get demotivated and reduce performance and productivity, embark on industrial actions if unionism is allowed in the organization, or even resign.

When roles become mutually incompatible such that engagement in one role makes it difficult to enact or simultaneously engage in another role, it is referred to as role conflict; which often leads to negative consequences in the affected domains.

- **Norms:** Every group has acceptable standards of behavior amongst its members. This is called norms, which dictates what members of that group ought to do, or not to do in different circumstances. It is normal in organizations to have norms regarding employees' attitudinal and behavioral issues, e.g. performance level, assignment of jobs, socialization, etc. These norms exert significant influence on individual motivation and performance.

Group members pressurize deviant members (through social rejection, etc.) to conform to the norms of the group. Conformity is the adjustment of individual behavior to agree with the norms of the group he or she belongs to. Individual need for acceptance makes people to conform to the norms of the group they belong, or wish to belong. Conformity to group norms is higher in collectivist societies than individualistic societies.

- **Status:** Status is a socially defined position given to a group member by other members, marked by differences in roles, rights, and privileges.

Status is determined by:

- The power an individual wields over other members
- The person's ability to significantly contribute to the achievement of group's goal(s)
- The person's characteristics such as friendliness, looks, intelligence, etc.

Persons of high status often have the freedom to deviate from, or resist conformity to, group norms more than other members of the group. For example, footballing super stars such as Neymar, Ronaldo, and Messi enjoy privileges that other players (members) in their clubs (groups) do not enjoy because they have high status. This also applies to high status individuals in other walks of life, as long as their behaviors do not negatively impact group goals.

High-status members of a group tend to be very vocal and assertive. This has the tendency of reducing the participation and contribution of low-status members in the activities of the group, which may hamper the attainment of group goals.

Status and its criteria are culture-bound. For example, the Yorubas are more status conscious than the Igbo.

- **Size:** The behavior of a group is affected by its size.
  - o Small groups complete tasks faster than larger groups.
  - o Individuals perform better in smaller groups than in bigger groups.
  - o Large groups are better in problem-solving than smaller groups.
  - o Large group size encourages the tendency for individuals to put in less effort when working in a group than when they work alone. This phenomenon is called social loafing, and can be caused by:

• The belief that other members of the group are not doing their fair share of the work; and

• The consciousness that group results cannot be credited to any one member of the group, so some people decide to put in less effort than they ordinarily would have put in.

Managers need to identify individual efforts when using collective work arrangements in order to balance the potential benefits and losses of such arrangements.

Ways to help minimize the effects of social loafing:

• Set group goals
• Increase intergroup competition
• Adopt peer evaluation within the group
• Select highly motivated people and comfortable team players as members
• Find ways of identifying and rewarding important contributions of each member, as part of group reward.

- **Cohesiveness:** Cohesiveness is defined as the extent to which members of a group are attracted to each other and are motivated to remain in the group.

Cohesiveness is promoted by:

- Frequent interaction with each other
- Small group size, which enhances interaction between members
- External threats that brings members closer.
- Cohesiveness is related to group productivity, which depends on the performance-related norms of the group.
- High cohesiveness + high performance-related norms = high productivity.
- High cohesiveness + low performance-related norms = low productivity.
- Low cohesiveness + high performance-related norms = moderate productivity.
- Low cohesiveness + low performance-related norms = low-to moderate productivity.

How to improve cohesiveness:

- Use small groups.
- Encourage the acceptance of group goals.
- Increase group interaction.
- Increase the group's status and the perceived difficulty of becoming a member.
- Encourage competition with other groups.
- Encourage group reward above individual reward.

- **Diversity:** Diversity is the degree of differences between members of a group, e.g. age, ethnicity, gender, level of education, etc. Diversity tends to increase conflict and reduce morale of group members. However, good leadership can get the group to deemphasize their diversities and focus on the group assignment, which will mitigate group conflict.

1.6 Group Decision-Making

Many organizational decisions are made by groups such as boards, committees, teams, etc.

- Advantages of group decision-making include: By virtue of the many people that make them up, groups are able to generate large amount of information and other resources needed to make decisions. Groups provide divergent opinions needed to generate alternative approaches and choices.

Group members feel obliged to support and canvass support for the decisions of the group, which result in greater support for group decisions.

- Disadvantages of group decision-making include: Groups usually take longer time to arrive at decisions than individuals.

Group decision-making process can be influenced by a few members using conformity pressures. If this happens, the effectiveness of the decisions will depend on the quality of the few individuals that influenced it.

Unlike individual decisions, group members jointly share responsibility for the outcome of the decisions they make. The lack of fixed (individual) responsibility may negatively rub-off on the quality of group decision-making process.

1.6.1 Techniques for Group Decision-Making

The major medium of group decision-making is face-to-face interactions, using verbal and non-verbal communication, but groupthink and conformity issues present challenges to this traditional method. However, the following decision-making techniques can help mitigate these challenges.

- **Brainstorming:** The idea of airing and considering all options is supported by brainstorming technique. Procedure:

• Select and bring members together
• Clearly explain the problem
• Encourage members to think wide and unhindered
• Ideas are not criticized at this stage, no matter how unreasonable it may sound
• All ideas are written down
• Each idea is then analyzed and discussed.

- **Nominal Group Technique:** Group members are physically present, but interpersonal communication is not allowed, in order to promote independence of thought. Procedure:

• Select and bring members together
• Clearly explain the problem
• Each member writes down his or her thoughts (ideas) on the problem without discussing with anyone
• Each member, in turn, presents one of his or her idea to the group, which is recorded without any discussion.
• The group discusses and evaluates each of the ideas presented
• Each member is allowed to independently rank all the ideas that have been presented. The idea that enjoys the highest average ranking becomes the decision.

- **Electronic Meeting:** This technique merges nominal group technique with computer technology. Procedure:
- Put the required technology in place
- Select and bring members together
- Clearly explain the problem
- Members independently type in their suggestions into their computers
- These independent suggestions and aggregate scores are displayed on a projection screen.

1.7 Groupthink and Groupshift

- **Groupthink**: Groupthink describes a situation in which the norm for consensus sets aside any realistic consideration of alternative response or action. It is more prevalent in situations where clear group identity exists. Such groups have the tendency to pressurize its members to take decisions that protect the positive image of their group. Such groups also tend to groupthink when they perceive a threat to their positive image.

Symptoms of Groupthink

- Group members behave in ways that reinforce their basic assumptions, irrespective of the strength of evidence that contradicts those assumptions.
- Group members directly oppose and try to suppress any view that contradicts the views supported by the majority of its members.
- Members seek to conform to majority opinion and avoid expressing contrary opinions.
- Silence is taken for acceptance. Members who refuse to speak are assumed to have accepted the decision even though they may actually have differed opinion.
-

How to Minimize Groupthink

- Encourage the use of smaller groups than larger ones because large groups are more prone to groupthink.
- Managers should avoid encouraging groupthink by refusing to express their own opinions at the onset of deliberations but rather encourage members to air their views.
- Managers should encourage people to proffer opinions that differ from majority opinion so as to call attention to alternative approaches.

- Group-shift: Group discussion tends to make individual members to shift towards stronger view of their already held positions, i.e. group members who already held traditional views become more guarded while those with speculative views become more speculative. This is called group-shift.

Reasons for Group-shift

- o Interactions with other members create the right atmosphere for members to articulate stronger or extreme version of their views. o Individual members feel free to advance stronger or extreme views because they are aware that no one would be personally held responsible for the decisions of the group.
- o There is the tendency for some people to express very strong or extreme positions or very moderate positions as a way of differentiating themselves from other persons or groups.

Self-Assessment Exercise

Mention the five stages of group development models.

1.8 Summary

Groups have important properties: roles, norms, status, size, cohesiveness and diversity, which help us to understand and predict individual behavior within the group and the performance of the group itself. Many organizational decisions are made by groups such as boards, committees, teams, etc., and group decision-making offers some advantages over individual decision-making. However, it is faced with the challenges of groupthink and group-shift.

In this unit, we also discussed the meaning of group, stages of group development, group properties, group decision-making, techniques of group decision-making, groupthink and group-shift.

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1.10 Possible Answers to Self-Assessment Exercise

The five stages of group development model are the following stages: forming, storming, norming, performing, and adjourning.

UNIT 2 COMMUNICATIONS

Unit Structure

2.1 Introduction
2.2 Learning Outcomes (LOs)
2.3 Meaning of Communication
2.4 Main Functions of Communication
2.5 Communication Process
2.6 Types of Communication
    2.6.1 Interpersonal Communication
        2.6.1.1Oral Communication
        2.6.1.2Written Communication
        2.6.1.3Nonverbal Communication
2.7 Organizational Communication
2.8 Barriers to Effective Communication
2.9 Summary
2.10 References/Further Readings/Web Resources
2.11 Possible Answers to Self-Assessment Exercise

2.1 Introduction

Communication is a critical success factor in any group of people aspiring to achieve specific goal(s). It is so critical that when God decided to stop the construction of the Tower of Babel, he confused the language of the builders such that no one understood each other anymore; communication ceased and the project was abandoned. This story demonstrates the importance of communication. Entrepreneurs, managers and supervisors can only achieve their visions, goals and objectives by effectively communicating same to others working with them. So, communication is central to organizational activities, and a crucial element of organizational behavior.

2.2 Learning Outcomes (LOs)

By the end of this unit, you will be able to:

- explain the meaning of communication
- identify the main functions of communication
- describe the communication process
- identify the types of communication
- explain interpersonal communication
- explain organizational communication.

2.3 Meaning of Communication

Communication refers to the transmission and understanding of meaning.

2.4 Main Functions of Communication

Communication performs some functions in any group or organization. Some of the major functions are as follows:

- Communication generates the information or data that are needed in decision-making.
- Communication helps to nurture employees' motivation. For example, communication is used to convey to the employees what is required of them and in providing feedback on their performance.
- Communication is used to control the behavior of members. For example, organizations communicate its requirement that their members must adhere to job prescriptions, organizational policies, chain of command, etc.
- Most employees spend most of their day at work, interacting and socializing with other workers. In doing this, communication serves as channel of expressing their emotions and for fulfilling their needs for social interactions with others.

2.5 Communication Process

Communication process comprises the following:

- Message: The actual physical product of the sender's encoding
- Sender: The person or group that initiates the message

- Encoding: Converting the message into a symbolic form
- Channel: The medium through which the message travels
- Decoding: Translating the symbols into understandable form
- Receiver: The person or group the message was sent to
- Noise: Communication barriers that distort the clarity of the message
- Feedback: Checking the success of transferring the message as intended.

2.6 Types of Communication

Communication can be horizontal (lateral) or vertical.

- **Vertical Communication**

Vertical communication can be downward or upward. Downward communication flows from a higher level to a lower level – from superiors to subordinates. For example, the Chief Executive Officer (CEO) may need to communicate managers, supervisors, and other employees to issue and/or explain policy directives, procedures, goals, or performance feedback.

- **Problems with downward communication:**

  - Managers tend not to explain the reasons behind decisions, even though research evidences show that subordinates are more likely to accept and support decisions when they understand the reasons for such decisions.
  - Managers only communicate decisions taken but hardly ask for the opinions of their subordinates on such decisions, making downward communication a one-way traffic.

Upward communication flows from workers to their superiors (a lower level to higher level), e.g. from supervisors or team leaders to managers, or from managers to CEOs, etc. This type of communication could be for purposes of informing superiors on existing problems, update on assignments, or making proposals on projects, etc.

- **Problem of upward communication:**

Major problem with upward communication is that managers are busier and find it increasingly difficult to pay adequate attention to such communications.

- **Lateral Communication**

This refers to communication between workers on the same or horizontally equivalent levels, managers on the same level or between members of the same work group, etc. This type of communication usually develops informally to ease out the difficulties and ineffectiveness of vertical communication. Lateral communication can be useful in expediting action, especially if it is formally approved. Otherwise, it can create conflict arising from the breach of vertical communication.

2.6.1 Interpersonal Communication

Members of a group or organization often communicate in three ways, as follows:

2.6.1.1Oral Communication

Oral face-to-face communication is the major form of communication. This form of communication may involve person-to-person, group-to group, or grapevine.

Advantages:

- o The speed of communication is high. Response to a verbal communication is often instantaneous.
- o Distortions are quickly identified and corrected

Disadvantages:

- o Oral messages are often distorted when it passes from person to person. Individual interpretation of the message may differ from what was originally intended, as each person conveys the message as he or she understands it.

2.6.1.2Written communication

Written communication, as the name suggests, is in written form which could be in paper or electronic form, e.g. letters, memos, emails, SMS, etc.

Advantages:

- o It is on record and verifiable by the sender, receiver, and concerned others
- o The message can be stored for as long as desired o The physical copy of the communication can be consulted in

  situations of doubt and/or confusion
- o The process of writing a communication compels the sender to think through his or her message and to be clear and logical in crafting it.

Disadvantages

- o The process of writing and replying takes a lot of time
- o Feedback is not as fast as it is in oral communication. It is even, sometimes, difficult to know whether a message has been received or not, e.g. emailed or posted messages.

2.6.1.3Nonverbal Communication

Nonverbal communication often accompanies verbal communication. Nonverbal communication includes body language such as physical distance between sender and receiver, facial expression, body movements, etc. For example, a person who often looks at his or her timepiece during a discussion suggests lack of interest in the discussion.

2.7 Organizational Communication

- Formal Small-Group Networks

There are three common small-group networks namely; chain, wheel, and all-channel networks. The chain network strictly follows the formal chain of command. The wheel network routes all communications through a focus person. In all-channel network, members are free to communicate with each other.

- The Grapevine

This is an informal communication network within a group or organization. Rumors and gossip constitute the grapevine and is an important source of information in organizations. Research shows that rumors are driven by the importance of an issue, ambiguity surrounding the issue, and circumstances that raise anxiety. Examples of such issues include: downsizing, retrenchment, removal or appointment of bosses, etc.

- Importance of Grapevine

Helps managers to gauge the morale of their employees.

Identifies issues that are important to employees.

Helps tap into employee’s anxiety.

Sharing of information via rumors and gossips serves employees need for friendship.

2.8 Barriers to Effective Communication

- Emotions

Emotions affect how we interpret a message. Positive mood such as happiness makes a person to be more likely to automatically process information. On the other hand, a negative mood such as anger tends to make people to control process information. It follows that extreme emotions tend to be a barrier to effective communication by suppressing objectivity and rationality.

- **Filtering**

  Filtering describes a situation where people intentionally twist information to be more favorable to the receiver than it actually is. This is especially the case when it is bad news and sender or receivers are different hierarchies in the organization. Employees tend to be afraid to tell their bosses a piece of bad news so they tend to filter the information by giving their (bosses) more pleasing information.

- **Information Overload**

Information overload exists when you receive more information than you have the capacity to process. This results in less effective communication because the receiver selects, forgets or ignores some information as ways of coping with information overload.

- **Language**

Language is often a major barrier to effective communication. Differences in language reduce communication to the barest minimum. For people communicating with the same language, words and slangs could have different meanings, especially between different age groups. Words used to convey a particular meaning may actually convey a totally different meaning to the receiver.

- **Lying**

Lying represents intentional misrepresentation of information and/or deceit. Lies appear prevalent in organizations and the society, especially over mobile phones, social media platforms and email, than face-to-face. This constitutes a barrier to effective communication.

- **Selective Perception**

Individuals may see and hear what they want to see and hear, not actually what is being shown or said. Receivers interpret what they hear or see from the point of view of their experiences, interests, and expectations. It has been said that the world you perceive is the world that exists, whether it is objective reality or not.

Self-Assessment Exercise(s)

1.	Explain the concept communication
2.	Mention the barriers to effective communication.

2.9 Summary

Communication among members of an organization is critical because it generates information for decision-making, nurtures motivation, is used to control members' behavior, and enables members to express their emotions and satisfy their need for social interaction, among others.

In this unit, we were able to explore the meaning of communication, main functions of communication, communication process, types of communication, interpersonal communication, organizational communication, and barriers to effective communication.

2.10 References/Further Readings/Web Resources

Gibson, J.L., Ivancevich, J.M., & Donnelly, Jr., J.H. (1994). *Organizations*, (9th ed.). Boston: Irwin/McGraw-Hill.

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2.11 Possible Answers to Self-Assessment Exercise

1. Communication refers to the transmission and understanding of meaning.
2. emotion, filtering, language, lying and selective perception.

UNIT 3 WORK TEAMS

Unit Structure

3.1 Introduction
3.2 Learning Outcomes (LOs)
3.3 Meaning of Work Teams
3.4 Types of Work Team
3.5 Characteristics of Effective Teams
3.6 Summary
3.7 References/Further Readings/Web Resources
3.8 Possible Answers to Self-Assessment Exercise

3.1 Introduction

Sports teams come to mind when we talk about teams, be it in football, handball, relay race, etc. These teams are groups of people that are selected to achieve goals, each playing a specific role in the team. Selection of team members depends on a person's ability (skill set) to play a required role in the team and willingness to be a team player. An individual member's effort, on its own, will not deliver the required levels of performance because a team's performance should be greater than the sum of the individual efforts. In a football team, the goal keeper and other defenders are expected to stop opponents from scoring, midfielders should feed the attackers, and attackers should score goals for their teams. Those who fail to effectively play their roles jeopardize the ability of the team to play well and defeat their opponents. Other non-sports organizations also make use of teams, on similar principles to execute projects.

3.2 Learning Outcomes (LOs)

By the end of this unit, you will be able to:

- explain the meaning of work teams
- identify the types of work teams
- discuss the characteristics of effective teams.

3.3 Meaning of Work Teams

A work team is a group constituted to accomplish specified objectives or goals. Members of a work teams come together to collectively execute an assignment or project, each brings specific skill or set of skills that are relevant to, and complements the skills of other members in, the execution of the project. The coordinated interactions and efforts between members of the team produce positive synergies that make work teams potentially very effective and efficient. Members of work teams are individually and collectively accountable.

3.4 Types of Work Team

There are four common types of work teams namely; problem-solving teams, self-managed teams, cross-functional teams, and virtual teams.

- Problem-solving teams refer to a group of few employees from the same department who meet regularly to seek ways of solving departmental problems and improving on effectiveness, efficiency, quality, work environment, etc. However, such teams only make recommendations for improvements; they rarely have authority to implement their recommendations.

- Self-managed work teams, as the name implies, take on extensive responsibilities in managing its affairs. Such a team usually has authority to make its operational decisions such as planning and scheduling work, assigning tasks amongst its members, evaluating members' performance, and working with customers and suppliers. Unlike problem-solving teams, self-managed teams have the authority to make and implement its decisions including, sometimes, its own membership.

- Cross-functional team is a work team that is made up of employees from different functional areas of the organization but at similar hierarchical level. Cross-functional teams can be made up of employees from different areas of the same organization or from different organizations, depending on the nature and complexity of the project to be undertaken by the team.

- Virtual work teams are teams whose members do not meet face to face but operate remotely through technological platforms such e-mail, video-conferencing, WhatsApp, Viber, etc., irrespective of their locations – whether in close proximity or in far flung locations. Such a team may encounter issues of trust because they do not meet face-to-face, and may also share less information among themselves.

3.5 Characteristics of Effective Teams

Robbins *et al.* (2013) present a team effectiveness model made up of sixteen characteristics grouped into three categories namely; context, composition, and process.

- **Contextual Factors:**

o **Adequate Resources**

It has been shown that teams that receive adequate number of resources and support from their organizations tend to be more effective than teams that do not. These resources include funding, "timely information, proper equipment, adequate staffing, encouragement, and administrative assistance".

o **Leadership and Structure**

A work team is set up as part of an organization. The organization could, therefore, provide leadership and structure for the team or, in the case of self-managed teams, authorize the team to do so. Teams that are able to agree on the specific role(s) each member should play and how to integrate all their roles, tend to be more effective. Teams that lack leadership and structure tend to be less effective.

o **Climate of Trust**

Studies have shown that members of effective teams develop mutual trust among themselves and their leaders, and that creates harmonious bond and commitment to achieve team goals. Lack of trust and bonding engender mutual suspicion, lack of commitment and ineffectiveness.

o **Performance Evaluation and Reward System**

Organizations need to combine individual and group performance evaluation and reward systems. Focusing solely on individual performance evaluation and reward would breed selfishness among members, which will be counterproductive to group interests. Yet, individual employees need to be motivated to performance as individuals and as team members. So, organizations should look beyond individual performance evaluation and reward to consider team motivation via group evaluation, profit sharing, etc.

- **Composition**

o **Abilities of Members**

The abilities, skills and knowledge of team leaders and members contribute to its effectiveness, especially for complex projects that require high level of intelligence. Low-ability team members find it difficult to be effective in such situations, especially if tasks are shared equally among members. Low-ability leaders may also draw back the activities of high-ability members and cause ineffectiveness.

- **Personality of Members**

The Big Five Personality Model identifies five dominant factors namely; extroversion, agreeableness, conscientiousness, emotional stability, and openness to experience. Effective teams tend to score high on average levels of conscientiousness, agreeableness, and openness to experience. Teams that score low on average levels of these factors may tend to be ineffective.

- **Allocation of Roles**

Team effectiveness requires ability-job fit; putting square pegs in square holes. Teams with highly skilled and experienced members tend to be effective when these members are assigned to roles that are suitable to their abilities, especially for the core roles. Robbins *et al.* (2013, p.338) identifies nine potential team roles namely; creator, promoter, assessor, organizer, producer, controller, maintainer, adviser, and linker.

- **Diversity of Members**

Diversity refers to individual differences, which include employees' age, ethnicity, gender, educational qualification, expertise, length of service, culture, etc. Different types of diversity pose different opportunities and challenges to teams or groups. Diversity in team or group membership may positively or negatively affect team performance depending on factors such as leadership. Leadership can motivate a team to take advantage of the variety that comes with its diversity to improve performance. However, leadership failure may open the door for team members to emphasize their diversities, which may hinder their performance.

- **Size of Teams**

The smaller the size of a team, the more effective it is. Small size enhances coordination, communication, and accountability. Experts suggest effective team size of five to nine members. Large teams tend to become unwieldy, less cohesive, time-consuming and less effective, especially when the team is under time pressure.

- **Member Preferences**

Individual differences imply that while some people are comfortable working in teams, others are not. The inclusion of people who prefer to work alone in teams may increase stress, interpersonal conflicts, timewasting, etc., which may reduce the effectiveness of the team. Team effectiveness is better served when its membership is made up of those who prefer team-playing.

- **Processes**

o **Common Plan and Purpose**

It is important that teams understand the purpose for which they are established. Their proper understanding of its purpose will enable them to develop appropriate goals and relevant strategies to accomplish those goals. A good understand of its purpose will engender proper planning that will enable the team to be effective in achieving its purpose. This understanding will also promote the team's ownership of the purpose, which will motivate its members to put in greater efforts to ensure success. A team that lacks proper understanding of its purpose may develop plans that may not adequately address the purpose or may even achieve a different purpose.

o **Specific Goals**

Effective teams must be able to convert its purpose into specific goals that are clear, measurable, and realistic, but challenging enough to stimulate high performance.

o **Team Efficacy**

Team efficacy refers to a team's confidence and belief that it can succeed. Success breeds more successes. A team's success, even in small tasks, raises its confidence and commitment to achieve greater successes. Members can also enhance team efficacy by acquiring greater interpersonal and technical skills, which will give them greater impetus for success.

o **Conflict Levels**

Some types and levels of conflicts are healthy and beneficial to teams, groups and organizations. For example, conflicts regarding the content of a team's task could provoke critical opinions on the task at hand, and insights into possible solutions, which would not have been thought of if there was no disagreement. However, conflicts can, and are often negative and counterproductive. For example, conflicts arising from interpersonal hatred are bound to create tension and uncooperative behaviors that impede team cohesion and performance.

- **Social Loafing**

Some team members decide to lazy around when the work arrangement makes it difficult to identify individual contributions to team assignments, and that will help to make the team to be less effective. To ensure effectiveness, the team must make its members to be individually and collectively accountable.

Self-Assessment Exercise.

What is a work team?

3.6 Summary

In this unit, we discussed the meaning of work teams, types of work teams, and characteristics of effective teams.

Different types of teams perform different functions for their organizations. But irrespective of the type, teams must possess certain contextual, composition, and process characteristics in order to be effective in delivering on its assignments.

3.7 References/Further Readings/Web Resources

Gibson, J.L., Ivancevich, J.M., & Donnelly, Jr., J.H. (1994). *Organizations*, (9th ed.). Boston: Irwin/McGraw-Hill.

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Robbins, S.P., Judge, T.A., & Vohra, N. (2013). *Organizational Behavior* (15th ed.), Delhi: Dorling Kindersley (India) Pvt. Limited.

3.8 Answers to Self-Assessment Exercise

A work team is a group constituted to accomplish specified objectives or goals. Members of a work teams come together to collectively execute an assignment or project, each brings specific skill or set of skills that are relevant to, and complements the skills of other members in, the execution of the project.

UNIT 4 LEADERSHIP

Unit Structure

4.1 Introduction
4.2 Learning Outcomes (LOs)
4.3 Meaning of Leadership
4.4 Theories of Leadership
4.4.1 Charismatic Leadership
4.4.2 Transformational Leadership
4.4.3 Servant Leadership
4.5 Mentoring
4.6 Leadership, Ethics and Trust
4.7 Summary
4.8 References/Further Readings/Web Resources
4.9 Possible Answers to Self-Assessment Exercises

4.1 Introduction

A leader may be a manager but a manager may not be a leader. Effective leadership is crucial for success in every field of human endeavor such as political, industrial, and religious governance, etc. Leaders are vision bearers, who are able to enjoy the commitment and loyalty of their followers by effectively communicating their vision to them. Effective leaders are able to motivate their followers to the level of prioritizing organizational interests above self-interests. Leadership and management are needed by organizations to lead and manage its human resources to accomplish organizational goals.

4.2 Learning Outcomes (LOs)

By the end of this unit, you will be able to:

- explain the meaning of leadership

- explain the theories of leadership
- describe charismatic leadership
- describe transformational leadership
- explain servant leadership
- discuss mentoring
- discuss leadership, ethics and trust.

4.3 Meaning of Leadership

Leadership refers to the ability of an individual to influence a group of people towards accomplishing a set of goals or vision. Leadership may derive from the formal structures of the organization or it may be non-sanctioned leadership, which emerges outside the formal structure of the organization.

A leader may be a manager but a manager may not be a leader. Organizations need both strong leaders and strong managers. Leaders "challenge the status quo, create the visions of the future, and inspire organizational members to want to achieve the vision" while managers "formulate detailed plans, create efficient organizational structures, and oversee day-to-day operations" (Robbins *et al.* 2013, p.395).

4.4 Theories of Leadership

- Trait Theories

Trait theories of leadership are of the view that personal qualities and characteristics separate leaders from non-leaders. Early studies into identifying leadership traits identified an unwieldy number of such traits but with little consensus. However, the adoption of the Big Five personality framework in the categorization of these traits provided a direction.

From the point of view of the Big Five personality framework, extraversion has been identified as the most relevant trait that define leaders. Consciousness and openness to experience are also strongly related to leadership, next to extraversion. Agreeableness and emotional stability are also important traits.

Besides the variables on Big Five personality framework, emotional intelligence has been identified as an important trait of leaders because empathy is embedded in emotional intelligence. An emotionally intelligent and empathetic person is in a good position to attract and influence followers towards achieving set goals or visions.

- **Behavioral Theories**

A different approach to the study of leadership arose in the late 1940s through the 1960s into the behavior of effective leaders. Behavioral theory was a response to the problems of the trait approach. The behavioral approach sought to know whether there were unique behaviors that marked effective leaders out. The Ohio State studies identified two independent dimensions of leadership behavior namely; initiating structure and consideration.

- Initiating structure refers to the propensity of the leaders to understand, define and structure his role and those of his subordinates towards achieving his goals and visions.
- Consideration refers to the degree to which a leader has the propensity to relate to his subordinates based on mutual trust, request for his subordinates' ideas and opinions, and empathy towards his subordinates.

The University of Michigan's Survey Research Centre's study also identified two leadership behavioral dimensions namely: employee-oriented leader and production-oriented leader which are equivalents of consideration and initiating structures, respectively.

- Employee-oriented leader takes personal interest in taking care of his employees' needs, building mutually trust and respect between him and his subordinates.
- The production-oriented leader is task-oriented, focuses on the technical requirements aspect of accomplishing the goals of his organization.

Review of research evidence shows that leaders who scored high on initiating structures enjoyed high organizational productivity, while leaders who scored high on consideration had more satisfied and motivated employees that deeply respect their leader. However, the degree of relevance of either or both dimensions is culture-bound.

- **Contingency Theories**

Contingency refers to situational factors that determine the suitability or otherwise of leadership styles. Certain leadership styles appear to be suitable in some organizational situations or circumstances, but unsuitable in a different situation. Some approaches can be used to isolate situational variables namely: Fiedler model, situational theory, path-goal theory, and the leader participation model.

- **The Fiedler Model**

Fried Fiedler contingency model proposes that effective group performance is a function of leadership style-situation fit. Fiedler was of the view that an individual's leadership style is fundamental to that individual and, therefore, fixed. The way to achieve a leadership style situation fit would be to employ a leader with the leadership style that is appropriate to the situation or to adjust the situation to fit the leadership style of the leader.

o **How to Identify Leadership Style**

Fiedler developed the least preferred co-worker (LPC) questionnaire. LPC is used in identifying an individual's leadership style i.e. whether it is task-oriented or consideration-oriented. LPC contains 16 sets of contrasting adjectives (on a scale of 1-8) asking respondents to rate their co-worker they least enjoyed working with. If a respondent describes his LPC unfavorably, the respondent is task-oriented; but if the respondent describes his LPC in favorable terms, the respondent is consideration-oriented.

o **How to define the Situation**

Fiedler identified three situational dimensions namely: leader-member relations, task structure, and position power.

- Leader-member relations dimension is the level of trust, confidence and respect that members of the group or organization have on their leader.
- Task structure is the extent to which job tasks are structured or unstructured.
- Position power is the extent that a leader influences or exercises power variables viz. hiring, sacking, discipline, promotions and other rewards.

A leader that scores high on these three variables will enjoy greater control of his subordinates than a leader who scores low on these variables.

- **Situational Leadership Theory (SLT)**

Situational leadership theory opines that effective leadership is a function of adopting the leadership style that reflects the extent followers are willing and able to achieve a specific task.

Followers	Leaders
Unable and unwilling	Provide clear and specific directions
Unable and willing	Apply high task orientation and high consideration-oriented.
Able and unwilling	Apply supportive and participative style
Able and willing	Need not do much.

- **Path-Goal Theory**

Path-goal means that effective leaders should provide their followers with clear-cut path of achieving their (followers) work goals by providing them with information, support and other necessary resources which will make the accomplishment easier. The theory opines that what leadership approach or style the leader adopts would depend on the situation.

Path-goal theory predicts:

- o Directive leadership yields, greater satisfaction when tasks are ambiguous or stressful than when they are highly structured and well laid out.
- o Supportive leadership results in high performance and satisfaction when employees are performing structured tasks. o Directive leadership is likely to be perceived as redundant among employees with high ability or considerate experience.

- **Leader-Member Exchange (LMX) Theory**

This theory argues that leaders usually establish a special relationship with a few of their followers whom they have confidence in. The leaders invest a lot of time, attention and reward in developing these few people into a core group to work with. To reciprocate their leaders trust, these trusted followers also invest (commitment, loyalty, etc.) in this relationship with their leader. Leaders tend to select very competent followers who share personality, demographic and attitudinal similarities with him as members of his in-group, while other followers remain as out-group.

4.4.1 Charismatic Leadership

Several studies in Organizational Behavior, starting from Robert House's charismatic leadership theory, have tried to identify the attributes of charismatic leaders. Charismatic leaders have been found to be people who have vision and the ability to articulate the vision, willing to take personal risk to accomplish the vision, show sensitivity to followers' needs, and behave extraordinarily. They use these characteristics to influence their followers.

There are debates on whether charismatic leaders are born or made. Some argue that some people are born with the traits of charismatic leadership, while others argue that people can be trained to acquire charismatic behavior.

- **Charismatic Leadership and Situational Factors**

- o Studies show significant correlation between charismatic leadership and motivation to high performance.
- o Charisma appears most successful when:

  Followers' task has an ideological component, e.g. religion, politics.

  Environment includes a high degree of stress and uncertainty, e.g.

war time, new business or crisis situation.

Level in the organization. Charisma is more suitable for top executive positions (where visions are created) than at low level management positions.

- o Downside of charismatic leadership

- It is very expensive to attract charismatic leaders as CEOs because of the high levels of autonomy and privileges such as use of expensive hones, private jets, expensive cars, security, fat salaries and bonus, etc., that many of them enjoy.
- Many of them act selfishly and not in the interest of the organization.

4.4.2 Transformational Leadership

Transformational leaders inspire followers to transcend their self-interests for the good of the organization, and can have extraordinary effects on their followers. They pay attention to the concerns and needs of individual followers; they change followers' awareness of issues by helping them look at old problems in new ways; and they excite and inspire followers to put out extra effort to achieve group goals.

Transformational leaders are more effective because they are more creative, but also because they encourage those who follow then to be creative, too.

Companies with transformational leaders have greater decentralization of responsibility; managers have more propensity to take risks, and compensation plans are geared toward long term results; all of which facilitate corporate entrepreneurship.

Transformational leaders show greater agreement among top managers about the organizations goal, which yield superior organizational performance.

Transformational leaders are able to increase follower self-efficacy giving the group a "can do" spirit.

Transformational leaders engender commitment on the part of followers and instill greater trust in the leader.

Vision explains part of the effect of transformational leadership.

4.4.3 Servant Leadership

Servant leaders go beyond their self-interest and focus on opportunities to help followers grow and develop. They don't use power to achieve ends, they emphasize persuasion.

Characteristics of servant leadership include:

o Listening

o Empathizing

o Persuading

o Accepting stewardship

o Actively developing followers' potential.

Studies find that servant leadership result in higher levels of commitment to the supervisor, self-efficacy, and perception of justice, which are all related to organizational citizenship behavior.

Servant leadership increase team potency, which in turn leads to higher levels of group performance.

4.5 Mentoring

A mentor is a senior employee who sponsors and supports a less experienced employee, a protégé. Successful mentors are good teachers.

They prevent ideas clearly, listen well and empathies to protégés problems. Mentoring relationships serve both careers' functions and physiological functions.

- **Career Functions**
  - o Lobbying to get the protégé challenging and visible assignments
  - o Coaching the protégé to help develop his or her skills and achieve work objectives.
  - o Providing exposure to influence individual within the organization
  - o Protecting the protégé from possible risks to his or her reputation
  - o Sponsoring the protégé by nominating his or her potential advances or promotions
  - o Acting as a sounding board for idea the protégé might be hesitant to share with a direct supervisor.
- **Psychological Functions**
  - O Counselling the protégé to bolster his or her self confidence
  - o Sharing personal experience with the protégé
  - o Providing friendship and acceptance
  - o Acting as a role model

4.6 Leadership, Ethics and Trust

We can think of transformational leaders as fostering moral values when they try to change the attitudes and behaviors of followers.

Charisma has an unethical component, too. Unethical leaders use their charisma to enhance power over followers, directed toward self-serving ends. Ethical leaders use it in a socially constructive way to serve others.

Leaders, who treat their followers with fairness, especially by providing honest, frequent and accurate information, are seen as more effective. Leaders rated highly ethical tend to have followers who engage in more organizational citizenship behaviors and who are more willing to bring problems to the leaders' attention.

Because top executives set the moral tone for an organization, they need to set high ethical standards, demonstrate them through their own behavior, encourage and reward integrity in others, and avoid abuse of power such as giving themselves large raises and bonuses while seeking to cut cost by laying off long time employees.

Scholars have tried to integrate ethical and charismatic leadership by advancing the idea of socialized charismatic leadership, i.e. leadership that conveys other-centered (in contrast to self-centered) values by leaders who model ethical conduct.

Self-Assessment Exercises

1. Define leadership
2. Explain the concept 'Mentoring'.

4.7 Summary

In this unit, we discussed the meaning of leadership, theories of leadership, charismatic leadership, transformational leadership, servant leadership, mentoring, and leadership, ethics and trust.

The Big Five personality framework show consistent relationships between leadership and extraversion, conscientiousness, and openness to experience. The behavioral theory of leadership identified initiating structure and consideration styles of leadership. It was found that transformational and charismatic leaders offer more effective leadership in organizations. Effective leadership should also be ethically underpinned.

4.8 References/Further Readings/Web Resources

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4.9 Possible Answers to Self-Assessment Exercises

Leadership refers to the ability of an individual to influence a group of people towards accomplishing a set of goals or vision.

A mentor is a senior employee who sponsors and supports a less experienced employee, a protégé. Successful mentors are good teachers.

UNIT 5 POWER AND POLITICS IN ORGANISATIONS

Unit Structure

5.1 Introduction
5.2 Learning Outcomes (LOs)
5.3 Meaning of Power
5.4 Sources of Power
5.5 Power Tactics
5.6 Meaning of Politics
    5.6.1 Factors Contributing to Political Behaviors in Organizations
    5.6.2 How People Respond to Organization Politics
5.7 Impression Management
5.8 Summary
5.9 References/Further Readings/Web Resources
5.10 Possible Answers to Self-Assessment Exercises

5.1 Introduction

The quest for power is very common in every facet of society, especially in political governance. But no organization is spared of the perennial scourge of the quest for power, which (of course) invokes politics. No organization, even the family unit, is spared of organizational politics aimed at gaining advantages over other members.

5.2 Learning Outcomes (LOs)

By the end of this unit, you will be able to:

- explain the meaning of power
- identify the sources of power
- discuss power tactics

- explain the meaning of politics
- state the determinants of political behavior in organization
- explain how people respond to organizational politics
- discuss impression management.

5.3 Meaning of Power

Power is the capacity or potential that an individual possesses to influence the behavior of other. Power derives from dependence. If X depends on Y, Y will have power over X; the greater the level of X's dependence on Y, the greater Y's power over X. A person's dependence on another person depends on the alternatives he or she perceives and the importance he or she places on those alternatives. Whoever controls the alternatives(s) you greatly desire will have power over you. Leaders use power as an instrument to achieve organizational goals.

5.4 Sources of Power

There are several sources of power, which include the following:

- **Coercive Power**

This power derives from a person's fear of possible negative consequences that may result from his or her failure to obey, e.g. loss of freedom, physical pains, etc., or in the context of organizations, dismissal, suspension, demotion, etc. This is especially the case if the person in question values his or her job.

- **Reward Power**

In this case, a person who distributes rewards (financial or nonfinancial) to loyal and performing members is able to exercise power over those who value the reward he or she offers.

- **Legitimate Power**

Legitimate power derives from the formal authority to control organizational resources based on the person's position in the organizational structure. The exercise of power in this case is based on the acceptance of the person's authority by members of the organization, e.g. CEOs, Vice-Chancellors, Deans, Governors, Directors, etc.

- **Personal Power**

Personal power derives from a person's unique characteristics such as charisma.

- **Expert Power**

An individual is able to exercise influence on others because he or she possesses special skills, knowledge or expertise that make others to depend on him or her to achieve their goals, e.g. engineers, computer experts, doctors, etc.

- **Referent Power**

Referent power emanates from admiration and respect for someone, which makes you want to be like him or her and to please him or her.

Sources of personal power (expert and referent power) have been found to be more effective and positively affect employee performance, commitment to the organization, and job satisfaction. Reward and legitimate power appear not to be related to these organizational outcomes, while coercive power can, in fact, negatively affect employee commitment and satisfaction. Dependence is created and sustained by the control important, scarce, and non-substitutable resources.

5.5 Power Tactics

This refers to the ways people try to influence others at work. Robbins *et al.* (2013) presented nine tactics namely:

- Legitimacy: Using organizational policies and rules
- Rational persuasion: Use of logical arguments and evidence to proof a reasonable request.
- Inspirational appeals: Tapping on the emotions of an individual by appealing to his or her values, needs and aspirations.
- Consultation: Involving the person in deciding how best to achieve a goal as a way of identifying with him or her.
- Exchange: Using rewards or benefits in exchange for loyalty.
- Personal appeals: Use of friendship and loyalty to get others to do what you want.
- Ingratiation: Use of praise and flattery to make others do what you want.
- Pressure: Use of coercion, threats, etc., to make others do what you want.
- Coalitions: Using the support of other people to get someone do what you want.

These tactics are not mutually exclusive; they can be combined for greater effectiveness. However, rational persuasion, inspirational appeals, and consultation appear to be more effective than other tactics.

The direction of power tactics determines the effectiveness of some power tactics. For example, pressure and inspirational appeal are more effective as downward-power tactics.

Factors that affect the effectiveness of power tactics include:

- The audience, e.g. whether they are intrinsically or extrinsically motivated, and whether they have high or low self-esteem.
- National culture – people in different cultures appears to prefer different power tactics.
- The political skill of the individual involved – the politically skilled are more cunning and effective in using power tactics.

5.6 Meaning of Politics

There are several definitions of organizational politics. We define politics to include all informal activities or behaviors intended to influence the distribution of benefits or punishments within the organization. Such activities include:

- Joining a coalition.
- Whistle blowing.
- Spreading rumors.
- Leaking confidential information to the media.
- Exchanging favors for mutual benefits.
- Lobbying.

5.6.1 Factors Contributing to Political Behaviors in Organizations

These factors can be classified into individual and organizational factors:

- **Individual Factors**
  - Availability of alternative job
  - High self-monitoring
  - Individual expectations of success in politicking
  - Investment in the organization (of seniority, etc.)
  - Personality traits
  - Possessing high need for power
  - Possessing internal locus of control
  - Possessing Machiavellian personality
- **Organizational Factors**
  - A reward allocation system that offers reward to employees on a win-loss basis will encourage employees to try to increase their visibility and/or castigate others (politicking) in other to win the reward.
  - Changes in existing patterns of allocation of organizational resources.
  - Declining organizational resources.
  - Low trust boosts organizational politicking.

- Opportunity for promotions which creates competition for positions.
- Role ambiguity.
- Successful politicking by top managers tends to suggest that politicking is acceptable in the organization and, therefore, tend to encourage other employees to politick.
- Use of subjective performance evaluation system and emphasis on a single outcome measure make employees desperate to meet that requirement and may resort to politicking.

5.6.2 How People Respond to Organization Politics

Perceptions of organizational politics are negatively related to some individual outcomes such as job performance, satisfaction, turnover, and mood (anxiety and stress). For example, the unfairness arising from organizational politics may demotivate some employee, especially those who lack the skill or inclination to politick, resulting in decreased performance. Job anxiety and stress increase; job satisfaction drops; while some employees may even decide to quit highly politicized work environments.

5.7 Impression Management

Impression management refers to the process by which individuals seek to control the impression others form about them. Those who score high on self-monitor are usually interested in impression management.

- Impression Management Techniques

- Apologies: To accept responsibility for an offence and, at the same time, seek forgiveness for the offence. (Defensive impression management techniques).
- Conformity or sycophancy: To agree with somebody's opinions or actions for the purpose of getting the person's approval. (A form of ingratiation).
- Enhancement: A person to claim that his or her effort is more valuable than majority of other members would agree with. (Self-focused impression management technique).
- Excuses: To explain an individual's failure, or problem arising from the failure, with the aim of minimizing the apparent severity of the failure or problem. (Defensive impression management techniques).
- Exemplification: A person doing more than he or she needs to do as a way of showing dedication and hard work. (Assertive impression

management technique).

- Favors: To do somebody a favor in order to get the person's approval. (A form of ingratiation).
- Flattery: To compliment another person on his or her virtues with the intent of making yourself likeable. (Assertive impression management technique).
- Self-promotion: A person to call attention to his or her best qualities and achievements, and downplay his or her deficiencies. (Self-focused impression management technique).

Impression management techniques have been found effective. For example, self-promotion and ingratiation have been found to be effective for applicants during job interviews. But in performance evaluation exercises, ingratiation is effective while self-promotion is often not effective. This may be because job interviewers do not know the interviewees well but performance assessors (supervisors) know the performance of the employee first hand, and therefore, will not be easily deceived by self-promotion.

Self-Assessment Exercise

Mention and explain the various sources of power.

5.8 Summary

In this unit, we discussed the meaning of power, sources of power, power tactics, meaning of politics, determinants of political behavior in organization, how people respond to organizational politics, and lastly, impression management.

Formal power in organizations derives from a person's position in the organization's chain of command. However, there are other sources of power, including expert and referent power, etc. different sources of power have different effects on important performance variables. For example, expert and referent power tend to be more effective and positively affect employee performance and job satisfaction, while coercive power could negatively affect employee commitment and satisfaction. Perceptions of organizational politics are negatively related to some individual outcomes such as job performance, satisfaction, turnover, and mood.

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5.10 Possible Answers to Self-Assessment Exercises

ercive Power

This power derives from a person's fear of possible negative consequences that may result from his or her failure to obey, e.g. loss of freedom, physical pains, etc., or in the context of organizations, dismissal, suspension, demotion, etc. This is especially the case if the person in question values his or her job.

- **Reward Power**

In this case, a person who distributes rewards (financial or nonfinancial) to loyal and performing members is able to exercise power over those who value the reward he or she offers.

- **Legitimate Power**

Legitimate power derives from the formal authority to control organizational resources based on the person's position in the organizational structure. The exercise of power in this case is based on the acceptance of the person's authority by members of the organization, e.g. CEOs, Vice-Chancellors, Deans, Governors, Directors, etc.

- **Personal Power**

Personal power derives from a person's unique characteristics such as charisma.

- **Expert Power**

An individual is able to exercise influence on others because he or she possesses special skills, knowledge or expertise that make others to depend on him or her to achieve their goals, e.g. engineers, computer experts, doctors, etc.

- **Referent Power**

Referent power emanates from admiration and respect for someone, which makes you want to be like him or her and to please him or her.

UNIT 6 CONFLICT AND NEGOTIATION

Unit Structure

6.1 Introduction
6.2 Learning Outcomes (LOs)
6.3 Meaning of Conflict
    6.3.1 Transitions in Conflict Thought
6.4 The Conflict Process
6.5 Meaning of Negotiation
6.6 Bargaining Strategies
6.7 Negotiation Process
    6.7.1 Preparation and Planning
    6.7.2 Definition of Ground Rules
    6.7.3 Clarification and Justification
    6.7.4 Bargaining and Problem Solving
    6.7.5 Closure and Implementation
6.8 Summary
6.9 References/Further Readings/Web Resources
6.10 Possible Answers to Self-Assessment Exercise(s)

6.1 Introduction

Conflict is unavoidable where two or more persons co-exist. Organizations, by their very nature, promote conflict. However, not all levels of conflict are counterproductive. Some levels of conflict are healthy and necessary to keep organizations self-critical, creative and viable; otherwise, it becomes static, unresponsive, and apathetic. Nonetheless, high level of conflict is counter-productive and requires negotiation for acceptable settlement, for peaceful co-existence.

6.2 Learning Outcomes (LOs)

By the end of this unit, you will be able to:

- define conflict
- explain transitions in conflict thought

- describe the conflict process
- define negotiation
- describe bargaining strategies
- explain negotiation process.

6.3 Meaning of Conflict

Conflict can be defined as a process that starts when "one party (person or group) perceives that its interests are being opposed or negatively affected by another party" (Rahim 2001).

63.1 Transitions in Conflict Thought

- Traditional View of Conflict

This approach was prevalent in the 1930s and 1940s and presented conflict as inherently negative and should be avoided. This approach was of the view that conflict derived from lack of communication, openness and trust between people (managers and employees). Organizational performance can be improved by identifying and resolving the causes of conflict within the organization.

- Interactionist View of Conflict

This view opines that a minimal level of conflict is necessary to keep organization responsive and viable, otherwise it becomes unresponsive and unviable.

Conflict may relate to relationship, process or task. Relationship conflict relates to interpersonal relationship; process conflict relates to how the work is done, while task conflict has to do with the content of the work being done. Relationship conflict is dysfunctional (i.e. destructive), while task and process conflicts can be functional (i.e. productive) in some situations. High levels of task and process conflicts are dysfunctional.

- Resolution Focused View of Conflict

This approach recognizes that conflict is unavoidable in groups or organizations, and that the effects of conflicts, even after resolutions, result in strains in interpersonal relationship, close mindedness, anger disagreements, and decrease in group cohesion and performance. Consequently, this approach is of the view that people should be prepared for conflicts, and put productive strategies for conflict resolution in place, in order to substantially reduce the dysfunctional effects of conflict.

6.4 The Conflict Process

There are five stages of conflict process namely; potential opposition or incompatibility, cognition and personalization, intentions, behavior, and outcomes.

- Incompatibility

This is the appearance of conditions that is capable of causing conflict namely; communication, structure and personal variables.

- o Communication refers to contradiction that may emanate from semantic difficulties, jargons, misunderstanding and barriers to effective communication.
- o Structure refers to variables such as size, reward systems, specialization, extent of dependence between groups, and jurisdictional clarity. For example, large groups are prone to conflict. Similarly, a reward system that rewards one person at the expense of another person encourages conflict.
- o Personal variables that can cause conflict include individual personality, emotions and values. For example, emotions such as anger carried to work from the family domain can offend colleagues at work, which can cause conflict.

- Cognition and Personalization

A person's awareness of the existence of conditions that can create conflict (perceived conflict) is necessary but not sufficient to establish conflict. The person's emotional involvement (felt conflict) has to set in before the person experiences anxiety, tension, hostility or frustration, which are the signs of conflict. It is when felt-conflict sets in that the parties define what the conflict is about.

- Intentions

Intentions are decisions to act in a specific way. What you perceive to be the other party's intention in a conflict will determine your response to their behavior. Intentions in conflict can be to compete, collaborate, avoid, accommodate, or compromise.

- Behavior

The behavior stage of conflict is the stage in which one or both parties to the conflict make statements, take actions, or react in ways that confirm the existence of conflict. At this stage conflict is obvious. Conflicts exist on a continuum ranging from minor disagreements to open efforts to annihilate the other party, e.g. war. Other levels of conflict exist in-between these two extremes. Low level conflicts are often functional, while high level conflicts are often dysfunctional.

- Outcomes

The activities of the various parties to a conflict invariably results in either functional or dysfunctional outcomes as discussed earlier.

6.5 Meaning of Negotiation

Negotiation is a “process in which two or more interdependent individuals or groups who perceive that they have both common and conflicting goals state and discuss proposals and preferences for specific terms of a possible agreement” (Hellriegel & Slocum 2011, p.395).

Negotiation may take place between employer and employee, buyer and seller of goods and services, employer and employee, etc. Virtually every interaction in group or organizational settings involves one form of negotiation or the other. Negotiation affects both the terms of the exchange and the relationship between the negotiators.

6.6 Bargaining Strategies

- **Distributive Negotiation**

This is a negotiation process that is concerned with the dividing of resources between the negotiating parties in a win or lose context, e.g. wage-negotiations, etc. Each party to the negotiation seeks to get as much of the benefit as possible. Each negotiator has a resistance point (minimum acceptable point) and a target point (the preferred level of benefit). Negotiating tactics include setting the anchor (when you start with an aggressive first offer), and revealing a deadline for the negotiation, which helps to speed up negotiation and forces the other party to make concessions.

- **Integrative Negotiation**

In contrast to the win-lose context of distributive negotiation, integrative negotiation is based on a win-win outcome. Negotiators in an integrative negotiation arrive at one or more settlements that leaves all parties feeling victorious because each party benefits from the negotiation. In the context of organisational negotiation, for example, the negotiation is considered integrative if both labour and management benefit from the settlement.

6.7 Negotiation Process

Negotiation can be seen to be made up of five steps namely; preparation and planning, definition of ground rules, clarification and justification, bargaining and problem solving, closure and implementation.

6.7.1 Preparation and Planning

This involves understanding the nature of the conflict, the parties to the conflict, your goals and targets, and your opponent's goals and targets, etc. With the information at your disposal, you develop your negotiation strategy, part of which is to determine your best alternative to a negotiated agreement (BATNA) and that of your opponent. BATNA refers to the least acceptable value for a negotiated agreement. Both parties will only accept offers that are better than their individual BATNA, except the party adjusts or changes its BATNA.

6.7.2 Definition of Ground Rules

Ground rules refer to the rules and procedure guiding the negotiation. It specifies the negotiating parties, issues place and time frame for the negotiation. These ground rules are jointly developed by the parties to the negotiation. Initial demands are also exchanged by the parties at this stage of the negotiation.

6.7.3 Clarification and Justification

After the parties' initial demands have been exchanged at stage two, this step is for each party to clarify its initial demands, and show justifications for same, with relevant documents.

6.7.4 Bargaining and Problem Solving

This is the stage where the actual bargaining takes place; both parties are expected to concede some of their demands in order to reach an agreement.

6.7.5 Closure and Implementation

This step involves the formalization of the agreement reached at stage four. The formalization may be a handshake or a formal contract, depending on the type and magnitude of the negotiation. For example, negotiations, such as labor-management collective bargaining require a formal contract to implement and monitor agreements.

Self-Assessment Exercises

1. Explain conflict
2. What is negotiation.

6.8 Summary

In this unit, we discussed the meaning of conflict, transitions in conflict thought, conflict process, the meaning of negotiation, bargaining strategies, and negotiation process.

From what we discussed in this unit, we conclude that conflict is not always dysfunctional in a group or organization. Conflict can be too low or too high, either of which is dysfunctional. Organizations require a healthy level of conflict that avoids stagnation, induce creativity, and support change without disrupting the coordination of activities. There is no one-cap-fit-all strategy to handling conflict; appropriate strategy is contingent on the situation. The same applies to negotiation.

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6.10 Possible Answers to Self-Assessment Exercise(s)

Conflict can be defined as a process that starts when “one party (person or group) perceives that its interests are being opposed or negatively affected by another party.

Negotiation is a “process in which two or more interdependent individuals or groups who perceive that they have both common and conflicting goals state and discuss proposals and preferences for specific terms of a possible agreement.

UNIT 7 ORGANISATIONAL STRUCTURE/DESIGN

Unit Structure

7.1 Introduction
7.2 Learning Outcomes (LOs)
7.3 Organizational Structure
    7.3.1 Organizational Designs
    7.3.2 The Leaner Organization: Downsizing
    7.3.3 Determinants of Organizational Structure
7.4 Organizational Strategy
7.5 Summary
7.6 References/Further Readings/Web Resources
7.7 Possible Answers to Self-Assessment Exercise(s)

7.1 Introduction

Organizations are made up of several people pursuing common objectives. These people come with different backgrounds, behaviors, attitudes, expectations, etc. It is, therefore, important that the organization be divided into jobs, and that these jobs are coordinated in such a way that all productive efforts will be geared towards achieving common goals and objectives. Management must define what each job position should do, how it should be done, and how each job relates to other jobs, etc. Otherwise, there will be confusion, conflict and struggle over power, status and resources of the organization, and organizational ineffectiveness and inefficiency. These are some of the issues organizational structure and design deal with.

7.2 Learning Outcomes (LOs)

By the end of this unit, you will be able to:

- explain organizational structure
- identify the different types of organizational designs
- explain the determinants of organizational structure.

7.3 Organizational Structure

Organizational structure refers to the formal division, grouping, and coordination of job tasks. The elements of organizational structure include: specialization, departmentalization, chain of command, span of control, centralization and decentralization, and formalization.

- **Specialization**

Work specialization refers to the division of an organization's activities (tasks) into distinct jobs, performed by workers with requisite skills or education. This, like division of labor, saves time, increases productivity and efficiency, etc.

However, human diseconomies from specialization viz. boredom, fatigue, stress, low productivity, poor quality, increased absenteeism, and high turnover offset the economic advantages of work specialization. Consequent on these diseconomies, management now employ work enrichment, autonomy, teams with inter-changeable skills, etc.; to significantly increase employee job satisfaction and output.

- **Departmentalization**

Departmentalization is the grouping together of jobs to aid the coordination of common tasks. Departmentalization can be by function, product, geography or customer, etc.

- Functional departmentalization is the grouping of organizational activities by functions. What the functions are depends on the type of organization in question. A manufacturing firm should have production, marketing, human resources; finance and supply functions, etc.
- Product departmentalization involves the grouping of organizational activities along product lines. Each line is placed under a manager and all the resources needed to produce and market the product line are allocated to, and managed by that particular manager. This is useful to large organizations with many product lines.
- Departmentalization by geography involves grouping organizational activities around geography. A particular geographical area say South-east or North-east, etc., is recognized as a department and has a manager assigned to manage activities of the organization in that geographical area. This is especially useful to organizations that provide similar goods and services to few customers spread over large geographical area.
- Customer departmentalization involves the grouping of organizational activities around the needs of its existing or potential customers. Each customer group has common characteristics and needs that can be best satisfied by developing expertise to satisfy each group.
- Departmentalization by process involves grouping of organizational activities to process customers and/or products. A hospital is a typical example.

- **Chain of Command**

This principle says that there should be an unbroken line of authority linking everyone in the organization from the topmost to the lowest.

Chain of command relates to authority and unity of command.

- Authority is the right to make rules or give orders and expect compliance. The principle of unity of command reinforces the chain of command.
- The unity of command principle says that no one in the organization should be directly responsible to more than one boss, in order to avoid potential dysfunctional conflict.

However, these principles are less emphasized in some modern organizations. This can be attributed to the greater availability of information to all categories of employees, greater employee empowerment, increasing prevalence of lean organizations, use of self-managed and cross-functional teams, and new organizational structures, which have combined to neutralize the importance of these principles to organizations. Nonetheless, many organizations still adhere to these principles.

- **Span of Control**

Span of control refers to the number of workers that directly reports to a manager. This span can be narrow (4-6 employees) or wide (more than 6 employees), which determines the number of managers an organization should employ and the number of levels in the organization.

- Narrow span requires the employment of many managers, and tends to support more effective supervision, leadership and employee performance. However, narrow span may be less efficient, encourages over supervision, and discourages employee autonomy.
- Wide span is more efficient because it encourages cost reduction, but may be less effective in terms of supervision, leadership and employee performance. To reduce these problems, organizations engage in employee training to make them more knowledgeable and skilled so as to be able to work with minimal supervision, and to be able to assist others.

- Centralization

Centralization refers to the extent that decision-making is concentrated at the top echelon. In centralized organizations, decisions are made by the top managers, while others execute decisions so made. Centralized organizations tend to have a hierarchical structure and centralization slows down decision-making, alienates lower-level managers and reduces input into the decision-making process.

- Decentralization refers to the extent decision-making authority is delegated across the organization. Decision-making, in decentralized organizations, is made even by frontline managers who are closest to organizational activities. Decentralization encourages quick resolution of problems, sense of belonging, and provides greater contributions to the decision-making process.

- Formalization

Formalization is the extent to which jobs are standardized. Every job is standardized but some jobs are more standardized (formalized) than others. High standardization involves plenty of rules, explicit job description and procedures, which repudiate the use of employees' individual discretions at work. Conversely, low job standardization allows employees to apply personal discretion in carrying out their duties; their behavior at work and responses to work situation are flexible and un-programmed.

7.3.1 Organizational Designs

There are several organizational designs including the following:

- Simple Structure

The simple structure is simple; it is not complex. It centralizes authority on one person, and engages in low levels of formalization and departmentalization. It also employs wide span of control resulting in few vertical levels.

The simplicity of this organizational design makes it less costly, flexible, fast and accountable. These features make it attractive to operators of micro and small-scale businesses. However, this simple structure is unable to meet up with the increasing complexity of growth (e.g. increased activities and decision-making), which makes it increasingly difficult for one person to cope. And if, for any reason, he or she becomes indisposed, the organization may run into trouble for lack of information.

- The Bureaucracy

The bureaucracy is known for high levels of functional departmentalization, specialization, formalization, narrow span of control, centralization, and strict adherence to chain of command. It is highly efficient in carrying out formalized tasks because of the economies of scale arising from specialization and functional departmentalization. Another advantage is that bureaucracies can hire less talented managers because its high level of formalization makes up for their poor managerial talents. However, bureaucracies are weighed down by bottlenecks, slow decision-making, over-dependence on rules, and lack of innovation, among other limitations.

- The Matrix Structure

Matrix structure combines functional and product departmentalization. The combination of these types of departmentalization is informed by the fact that the advantages of product departmentalization make up for the disadvantages of functional departmentalization, vice versa. For example, functional departmentalization offer the benefit of economies of scale arising from the gathering of specialists from different functions and sharing of specialized resources to produce different products, but has problems achieving timely and efficient coordination of tasks among specialists in different functions (which happens to be the strong point of product departmentalization). The use of matrix structure is, therefore, intended to exploit their strengths of both types of departmentalization and avoiding their weaknesses.

The matrix structure enhances coordination of interdependent and complex tasks. It also facilitates the availability of information to its users, and helps to drastically reduce the tendency to priorities functional goals above organizational goals.

In spite of these advantages:

- Matrix structure increases conflict, struggle for power, and job stress.
- It breaches the principle of unity of command by providing for multiples bosses, giving rise to role ambiguity and conflict, which have significantly related to job stress and insecurity.
- Power struggle may ensue over the allocation of resources, etc.

- Virtual Organization

A virtual organization is an organization that out-sources its primary business functions. Structurally, a virtual organization is highly centralized and has little or no departmentalization. Its overhead is very low because it outsources its core business functions and therefore, does not keep large number of employees or big permanent offices, etc.

Virtual organizations produce and sell their products without touching them because its manufacturing, quality control, shipping, etc., outsourced. In this case, the major responsibility of the virtual organizations managers is to coordinate relationships between their organizations and other organizations that perform different business function for them.

Virtual organizations are flexible and a veritable low-cost platform for innovators to operate and compete effectively and efficiently. Information communication technology is a critical infrastructure in the operations of virtual organizations.

However, virtual organizations lack the high degree of physical interaction that members of other conventional types of organizational structure have. As a result of this, it is difficult to develop strong cultural identity and affinity as in traditional organizational setting with regular physical interaction. This lack of physical interaction and communication among members of virtual organizations make them less willing to share knowledge and information. The unwillingness to collaborate reduces innovativeness. Furthermore, roles and responsibilities are ever changing, which creates ambiguities that fester organizational politics.

- The Borderless Organization

The idea of borderless organization is for organizations to collapse internal vertical and horizontal boundaries and to remove external barriers between it and other organizations such as suppliers, customers, etc. Collapsing vertical boundaries involves the removal of chain of command and other hierarchical structures and practices. Organizations can do this by creating cross-hierarchical teams and participative decision-making practices, which help to flatten its structure.

Organizations can remove horizontal boundaries by replacing functional departments with cross-functional work teams and by organizing its activities around processes rather than functions or departments.

Borderless organization also seeks to eliminate geographical and cultural barriers. Organizations' can do this by establishing strategic alliances or joint partnerships with organizations in different parts of the world, which enables their employees to work on joint projects. This can also be done by providing for telecommuting, which allows their workers to operate from outside the geographical confines of their employing organizations.

7.3.2 The Leaner Organization: Downsizing

Organizations seek to make themselves leaner as a way to stick to its core competencies, reduce operational costs, achieve flexibility, survive unfavorable changes in the market, reduce bureaucracy and increase response time or speed of decision-making, etc. To achieve leanness, organizations reduce their staff strength, sell or close unprofitable business units or locations, etc. This is called downsizing.

In spite of the immediate positive impact of downsizing on operational cost via decrease in wage bill, downsizing has its own downside. Majorly, downsizing may cause uncertainties regarding job security, which can negatively affect the commitment of employees towards the organization. Fear of future downsizing may also increase employee's job stress, tardiness, absence, and turnover rate, etc.

However, organizations can reduce the negative effects of downsizing by employing the following strategy: communication, investment, participation and assistance (CIPA).

- Communicate their plans to downsize to their employees early
- Invest in high-involvement work practices after the downsizing, especially on its core competencies.
- Involve employees in the process of downsizing, e.g. deciding voluntary retirement or severance packages options.
- Assist affected employees, e.g. job search assistance, severance benefits etc.

7.3.3 Determinants of Organizational Structure

Mechanistic and organic structures represent the two extremes of organizational design. Mechanistic model is characterized by high formalization, rigid departmentalization, clear chain of command, etc. The organic model is characterized by flatness similar to borderless organizations; cross-functional and cross-hierarchical teams, low formalization, etc. Determinants of organizational structure are as follows:

7.4 Organizational Strategy

Organizational structure derives from overall organizational strategy and is therefore, influenced by it (organizational strategy). Changes in organization's strategy will require changes to organizational structure to match adjustments in strategy.

Strategy frameworks may focus on three dimensions namely; cost minimization, innovation and imitation.

- An organization pursuing innovation strategy adopts organic structure characterized by loose structure, decentralization, low formalization, cross-functional and cross-hierarchical teams, etc.
- Cost-minimization strategy involves cost control and cuts in product prices. Organizations pursuing cost-minimization strategy avoid unnecessary expenditures such as on unnecessary innovations, marketing, human resources, etc.
- Imitation strategy involves moving into new products or new markets after other (innovative) organizations have tested the waters and have proven that the new product or market is viable. Organizations that pursue imitation strategy use both mechanistic and organic structures for existing and new products, respectively.

- Size of Organization

The size of an organization determines the structure it adopts.

Generally, large organizations tend to adopt more mechanistic structure than smaller organizations. For example, the presence of a large workforce will compel greater departmentalization, formalization and specialization, than a small workforce.

- Technology

Technology is the application of knowledge relating to the conversion of productive resources to goods and services. The routineness or otherwise, of an organization's technology determines the organization's structure. Routine operations are standardized and can be automated, which makes it suitable to mechanistic structures. On the other hand, non-routine operations are customized and may be reviewed from time to time, which makes it suitable to organic structures.

- Environment

The stability or dynamism of an organization's external environment (viz. competitors, suppliers, customers, host communities, government, pressure groups, etc.) can affect its preferred structure. The environment has three dimensions namely; volatility, complexity and capacity.

- Volatility refers to the level of instability in the environment. A highly volatile environment creates unpredictable changes for organizations that operate in it. This can be stable or dynamic.
- Complexity refers to the level of concentration and heterogeneity among environmental elements. This can be simple or complex.
- Capacity refers to the extent the environment can support growth.

This can be abundant or scarce. Complex, scarce and dynamic environment is suitable for organic structure, while simple, abundant and stable environment is suitable for mechanistic structure.

Self-Assessment Exercise

Discuss the concept of Organizational structure.

7.5 Summary

In this unit, we discussed the meaning of organizational structure, elements of organizational structure, types of organizational design, and determinants of organizational structure.

We also studied organizational structure and design in organizational resources allocation, and in the establishment of order, direction, effectiveness and efficiency in organization's operations. It is obvious that appropriate structure and design cannot be the same for all organizations because their strategies, sizes, technologies, and environments differ.

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7.7 Possible Answers to Self-Assessment Exercise(s)

Organizational structure refers to the formal division, grouping, and coordination of job tasks. The elements of organizational structure include: specialization, departmentalization, chain of command, span of control, centralization and decentralization, and formalization.

UNIT 8 ORGANISATIONAL CULTURE

Unit Structure

8.1 Introduction

8.2 Learning Outcomes (LOs)

8.3 Meaning of Organizational Culture
8.3.1 Characteristics of Organizational Culture
8.3.2 Role of Culture
8.3.3 Disadvantages of Culture
8.3.4 Creation and Sustenance of Culture
8.3.5 Transmission of Culture
8.3.6 Ethical Organizational Culture
8.4 Summary
8.5 References/Further Readings/Web Resources
8.6 Possible Answers to Self-Assessment Exercise(s)

8.1 Introduction

Cultures are defining characteristics of people, groups, or organizations. It marks the difference between entities. As it is with national cultures, so it is with organizational culture.

8.2 Learning Outcomes (LOs)

By the end of this unit, you will be able to:

- define organizational culture
- identify the characteristics of organizational culture
- explain the role of culture
- discuss the disadvantages of culture
- explain how culture is created and sustained
- explain how culture is transmitted
- identify ethical organizational culture.

8.3 Meaning of Organizational Culture

Organizational culture "refers to the learned and shared values, beliefs and attitudes of the members" of an organization (Jarnagin & Slocum 2007).

8.3.1 Characteristics of Organizational Culture

The culture of an organization can be assessed by evaluating the following variables on a continuum ranging from low to high:

- The extent management and employees are competitive than laid back.
- The extent management are conscious of, and consider the effects of outcomes on employees of the organization.

- The extent employees are encouraged to take risks and be innovative.
- The extent the activities of the organization seek to maintain stability than growth.
- The extent employees are encouraged to pay attention to details and be precise.
- The extent the organization organize work activities around teams than individuals.
- The extent management considers results or outcomes to be more important than the means of achieving them.

Organizations, especially large ones, have dominant and subcultures.

- A dominant culture refers to the core values shared by a majority of members, which confers a distinct personality on the organization.

- Subcultures are cultures that exist in a particular geographical location or department that capture the unique values arising from the experiences of that particular location or department. Though a subculture can, and do influence members' behavior, dominant culture exerts a major influence on members behaviors.

- Organizational culture can be weak or strong.

It is weak if there are wide variations in employee's opinions of the organization's mission and values.

It is strong if majority of the employees share the same opinion about the mission and values of the organization. Strong culture creates greater influence on members' behavior, commitment, loyalty and cohesiveness, and reduces employee turnover.

8.3.2 Role of Culture

It enhances the stability of the social system. It is the social glue that helps to hold the organization together by providing standards for what employees should say or do. It conveys a sense of identity for organization's members. Culture differentiates one organization from others. It is a sense-making and control mechanism that guides and shapes employees' attitude and behavior. It facilities commitment to something larger than individual self-interest.

8.3.3 Disadvantages of Culture

In spite of its benefits, culture has its own potential disadvantages.

Considerations for mergers and acquisitions have gone beyond financial and product advantages to include compatibility in culture between the organizations.

Organizations that are not culturally compatible will have difficulties merging and that may result in failure due to clash in culture. So, culture may be a barrier to mergers and acquisitions.

Cultures become entrenched in institutionalized organizations, so much so that certain attitudes and behaviors that stifle creativity and innovation may be taken for granted as long as it is culture consistent.

Culture influence behavior and is a liability when the behavior it creates no longer promote organization’s effectiveness. For example, changes in the environment from say a stable to volatile environment will make behaviors that are consistent with a stable environment to become liabilities in volatile environment. In this instance, culture becomes a barrier to change.

8.3.4 Creation and Sustenance of Culture

Organization’s culture begins with its founder(s). The founders implant their visions in the organization from its inception, which is easy to do at the early stages because of the relatively small size. They do this by:

The founders leading by example, which convinces other members of the organization to emulate them by imbibing their values, beliefs and behaviors.

Hiring and keeping employees that share their views and feelings. Socializing the employees to imbibe the founders’ values. Culture is sustained by selection processes, actions of top management, and socialization.

The selection process is aimed at employing people whose abilities knowledge, skills and values are needed by the organization. The applicants also gather information about the organization, which will enable them to avoid getting employed in organizations whose culture they do disagree with. Top managers, by their words and behaviors, help to create and sustain organizational culture. Their actions will convey acceptable values, and behaviors down the rungs of organization ladder. For example, top managers’ actions will show acceptable dressing, response to risk-taking, competitiveness, rewards, and organizational support, etc.

Finally, an organization uses socialization of new members to sustain its culture. Socialization can be said to consist of three phases namely; pre-arrival, encounter and metamorphosis.

- New employees usually come in with their own set of attitudes, values, and ideas of what to expect from the organization. The organization should give out more information about the organization to applicants during the selection process, especially in respect of the organization's requirements/expectations from prospective employees.

- When an applicant is finally employed in the organization, he commences the encounter phase of the socialization process. He commences the experience of working in the organization and is in a position to confirm whether he expectations about the organization are truly so, or not. If his expectations happen to be different from reality, he may become disillusioned, demotivated, and less committed.
- The final phase is metamorphosis. It is at this phase that problems identified at the encounter phase are resolved and the new employee imbibes behaviors and values accepted by the organization. Socialization may take place trough institutional practices or informal individual practices.

Institutional practices refer to formal, collective and sequential socialization programmes, while individual practices refer to informal, individual, and disjointed socialization process.

Studies show that high levels of institutional practices boost organizational commitment and person-organization fit, etc.; while individual practices boost innovation in individual roles.

8.3.5 Transmission of Culture

Culture is transmitted to members of an organization in different forms including stories, language, rituals, and material symbols. Every organization has stories around the behavioral attributes of its founders, narratives about past events such as layoffs, reactions to achievements and mistakes, etc. These stories convey the core values of the organization to members who listen to these stories. Some employees also create their own narratives around their past experiences in the organization.

Organizations use language in form of jargons and acronyms with peculiar meanings to the organization or department that describe its products, equipment, customers, etc.

Rituals refer to repetitive set of activities that both express and reinforce the culture of an organization, e.g. anthems, procedures, ceremonies, etc.

Material symbols include office spaces and buildings, quality of office furnishings, types of official cars, private jets, executives' attire, etc.

These and other symbols tell employees important people in the organization, what behaviors are appropriate, etc.

8.3.6 Ethical Organizational Culture

Ethical organizational culture is interested both in achieving the desired outcomes and on the means of achieving the outcomes. The outcome does not justify the means. It tries to balance the interest of organizations stakeholders. Though managers are encouraged to be aggressive, innovative, and risk-takers; ethical culture does not encourage reckless competition and win-at-all-cost mentality, and underhand practices. Production and marketing of harmful products, false advertisements, engaging in activities detrimental to the environment are examples of unethical behaviors arising from unethical organizational cultures.

Managers can create ethical organizational culture by: Clearly stating organization's code of ethics to guide members' conduct. Leading by ethical example.

Paying attention to the achievement of goals and the means of achieving them, reward ethical conducts and penalizing unethical conducts.

Providing safe and rewarding whistle-blowing process to encourage people to report unethical conducts of others, and encourage workers to discuss their own ethical challenges.

Training employees on the organizations expected ethical standards via workshops, seminars, etc.

Self-Assessment Exercise

Define Culture and its characteristics.

8.4 Summary

In this unit, we discussed the meaning of organizational culture, characteristics of organizational culture, role of culture, advantages of culture, creation and sustenance of culture, transmission of culture, and ethical organizational culture.

From what we have studied, we conclude that organizational culture refers to employees' overall perception of the organization in relation to factors such as attention to details, people and outcome orientations, innovation and risks, among others. Founders of organizations and top management influence, and are influenced by organizational culture. Strong organizational cultures are difficult to change, and do influence employees' performance. It is, therefore, important that organizations employ people whose values agree with their culture so as to encourage performance and reduce employee turnover. Ethical organizations develop ethical cultures, while unethical organizations have unethical cultures.

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8.6 Possible Answers to Self-Assessment Exercise(s)

Organizational culture "refers to the learned and shared values, beliefs and attitudes of the members" of an organization (Jarnagin & Slocum 2007).

Characteristics of Organizational Culture

The culture of an organization can be assessed by evaluating the following variables on a continuum ranging from low to high:

- The extent management and employees are competitive than laid back.
- The extent management are conscious of, and consider the effects of outcomes on employees of the organization.
- The extent employees are encouraged to take risks and be innovative.
- The extent the activities of the organization seek to maintain stability than growth.
- The extent employees are encouraged to pay attention to details and be precise.
- The extent the organization organize work activities around teams than individuals.
- The extent management considers results or outcomes to be more important than the means of achieving them.

Organizations, especially large ones, have dominant and subcultures.

- A dominant culture refers to the core values shared by a majority of members, which confers a distinct personality on the organization.

- Subcultures are cultures that exist in a particular geographical location or department that capture the unique values arising from the experiences of that particular location or department. Though a subculture can, and do influence members' behavior, dominant culture exerts a major influence on members behaviors.

- Organizational culture can be weak or strong.

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It is strong if majority of the employees share the same opinion about the mission and values of the organization. Strong culture creates greater influence on members' behavior, commitment, loyalty and cohesiveness, and reduces employee turnover.

UNIT 9 ORGANISATIONAL CHANGE AND DEVELOPMENT

Unit Structure

9.1 Introduction
9.2 Learning Outcomes (LOs)
9.3 Forces of Organizational Change
9.3.1 Resistance to Change
9.3.2 Individual Sources of Resistance to Change
9.3.3 Organizational Sources of Resistance to Change
9.3.4 Overcoming Resistance to Change
9.4 Approaches to Managing Organizational Change
9.5 Action Research

9.6 Organizational Development
9.6.1 Organization Development Techniques
9.7 Summary
9.8 References/Further Readings/Web Resources
9.9 Possible Answers to Self-Assessment Exercise(s)

9.1 Introduction

Change, they say, is constant. From the systems point of view, organizations and their environments are interrelated and interdependent. Consequently, changes in either of the internal and external environments of organizations are capable of inducing changes in the way they are managed. It, therefore, becomes necessary that management should monitor environmental factors, understand change processes, and know how to predict and manage change.

9.2 Learning Outcomes (LOs)

By the end of this unit, you will be able:

- identify forces of organizational change
- identify resistance to change
- explain how to overcome resistance to change
- discuss approaches to managing organizational development
- describe organizational development techniques.

9.3 Forces of Organizational Change

Change is inextricable from organizations' existence because of frequent changes in its environment - internal and external. Studies show that the forces for change include: nature of the workforce, technology, economic shocks, competition, social trends, and world politics (Robbins *et al.* 2013).

Competition has significantly increased over the years, and keeps increasing. Aided by globalization, competitors are no longer limited to local organizations but to organization in far countries such as China, Singapore, Vietnam, Turkey, etc., who ship better and, sometimes, cheaper products into local markets; changing the way business is conducted.

- Economic uncertainties, such as recession, create a lot of challenges to organizations resulting in downsizing, even outright closure.
- Social trends are a powerful force, buoyed up by the introduction of

social media platforms such as Facebook, WhatsApp, Viber, etc., which enable quick exchange of ideas and sharing of information, real time. That has affected the way organizations promote and market their products. Unwholesome policies, practices, and products are easily flagged in the social media.

- Technology has permeated many organizations and has redefined work. Information communication technology such as computers, ipads, smartphone’s, etc., make information easily accessible, and workers are more flexible with when, where and how they do their work.

The nature of the workforce has considerably changed over some decades now; more women are now in paid-employment, casual work arrangements have significantly increased, etc.

World politics also engender changes globally. The emergence of China as a world power and the power struggle between the world powers result in alignment and re-alignments between countries of the world. For example, current efforts by North Korea to become a world nuclear power has continued to attract the ire of the United State of American (USA), which is threatening military action that is expected to provoke third world war. Many sanctions have been put in place by USA and the United Nations, which affects both North Korea and countries that do business with her. Furthermore, instability in an oil producing country can generate shocks in oil supply, prices, and revenues in different parts of the globe.

9.3.1 Resistance to Change

Resistance to change is refusal or reluctance to accept change (planned or unplanned). Planned change is intentional and goal-oriented; unplanned change is accidental or spontaneous. Resistance can be overt or implicit, immediate or deferred. Overt and immediate resistance can be in the form of complaints, work-to-rule or strike action and therefore easier to recognize and handled. On the other hand, implicit and deferred resistance is not easy to recognize as resistance to change and, therefore, more difficult to handle. It can be in the form of increased tardiness, absenteeism, errors at work, and reduced motivation, commitment, etc.

Sources of resistance to change can be classified into two namely; individual and organizational sources.

9.3.2 Individual Sources of Resistance to Change

Individual sources of resistance include fear of the unknown, etc. The whole effects of organizational change are, at the onset, difficult to determine. Sometimes, certain unexpected effects may occur, and the magnitude of projected effects may exceed initial expectations. Change may bring unpleasant outcomes for individual employees and the fear of uncertainties may cause them to resist change.

- Change that potentially affects the economic status of employees, e.g. demotion or job loss, etc., threatens the security of such employees and invokes resistance to such changes.
- Economic considerations may engender resistance to change. Employees invest in their work in order to enhance their status and incomes. And having risen over time, they are bound to resist any change that will undermine the progress they have made mastering their work routines, or threaten their incomes.
- Individual personality may make them inclined to resist change. For example, individuals who score low on self-esteem have the tendency to see the negative aspects of change than its benefits and would, therefore, tend to resist change than those that score high on self-esteem.
- Habit is a coping mechanism and is difficult to break after it has been formed. It can become a source of resistance if the proposed change is against existing habits or if the individual perceives that the change may hurt his or her interests.
- Individuals are unable to process all the pieces of information that come their way, so they engage in selective perception, in line with their already established interests. People conveniently tend not to listen to or read what they do not agree with, and misunderstand or forget any piece of information that does not fit into their preferred attitudes, values and habits. This can be a source of resistance to change if the proposed change does not fit their perspective.
- Some employees resist change because they view the change as a threat to their power or influence. Change that will erode an individual’s control of information or resources (sources of organizational power and influence) would be resisted by those affected.

9.3.3 Organizational Sources of Resistance to Change

There are several sources of resistance to change in the organization itself:

- Organizations, as social systems, have interrelated and interdependent parts. Changes introduced in a sub-system cannot be effective without affecting other parts of the system. In other words, even if a unit of the organization (system) was to change, it tends to be nullified by the rest of the organization.

- Organizations do go into contractual obligations with their employees and labor unions, other organizations, government, etc. These obligations legally restrict them from pursuing contrary lines of action within the duration of such obligations. This can be a source of resistance to change.
- Organizational cultures are like habits that are difficult to change. Strong, inflexible organizational cultures do not have enough flexibility to respond to the need for organizational change. This is especially the case because the culture has taken root, which makes it difficult to change.
- Organizations have structure. Some are mechanistic while others are organic in nature. Mechanistic structures offer well defined lines of authority, stability, continuity, and effective functioning; but its rigidness can also be a source of resistance to change by resisting new ideas in favor of preserving the status quo. Organic structures are more adaptable to organizational change. o Some organizations are desirous of change but lack the resources required to implement the desired change. Some changes require large amounts of financial, human and temporal resources to implement. And though an organization has identified needed changes, it may not be able to effect the changes if it cannot afford the resources needed to push the change.

9.3.4 Overcoming Resistance to Change

Employees tend to accept change if they trust the change agents. So, change agents like CEOs, managers, supervisors, etc., should endeavor to develop positive relationships with their subordinates to improve trust and help reduce resistance to change whenever the need arises. Involving employees in the change process will increase their ownership of the change and reduce resistance to it. Management can use coercion to overcome resistance to change. Coercion tactics include queries, threats of loss of promotion, demotions, transfers, pay cuts, negative performance evaluation, etc. Organization’s management can use manipulation and co-optation methods to overcome resistance to change. Manipulation refers to methods of unscrupulously or cleverly influencing people through deliberate falsehood, false threats, withholding information, etc. Co-optation can be described as the co-option of key members of the resisters to major roles, not for their contributions but to cleverly influence them to support the change programme. Organizations need to educate and share ideas with its members on the rationale of the proposed change. Adequate formal communication with employees will enhance their understanding of the change, prevent or clear misinformation and may help convince the employees on the need for the change, especially if the interests of all the stakeholders are balanced.

Studies show that organizations can reduce resistance to change by selecting people with the personality, mental ability, and attitudes that are amenable to change. People who have high mental abilities, positive attitudes, openness to experience, willingness to take risks, etc., tend to accept change more than those who do not. Organization's selecting process should therefore focus on selecting people with these qualities as strategy to reduce resistance to organizational change.

9.4 Approaches to Managing Organizational Change

Lewin's Three-Step Model

Kurt Lewin opined that successful organizational change should have three steps namely: unfreezing the status quo, movement to desired state, and refreezing the change to be permanent.

- o Unfreezing the status quo can happen in either of three ways namely:
  - Decreasing the restraining forces that restrict movement away from the status quo
  - Increasing the driving forces that encourage movement away from the status quo,
  - Combining both methods, i.e. decreasing the restraining forces and increasing the driving forces. Restraining forces are forces that discourage movement away from the status quo, and can be decreased by individual counselling - to hear and address employees' specific fears and challenges. Driving forces are the forces that encourage movement away from the status quo and can be increased by providing organizational support such as incentives to stimulate compliance with the desired change(s).

Management can employ both approaches to deal with stiff-resistance to its change programmes.

- After unfreezing the status quo, the next step is to make the movement to the desired state – achieving the actual change desired. Quick implementation of change has been shown to be more effective than a drawn-out one.
- After achieving the desired change, the change must be refrozen by balancing the driving and balancing forces to form a new equilibrium or a new status quo. This can be done via systematic replacement of temporary forces with permanent ones and by reviewing the rules and regulations of the organization to reflect and support the new status quo or equilibrium.

- **Kotter's Eight-Step Plan for Implementing Change**

John Kotter improved on Lewin's three-step model by creating details of the three steps for better understanding by managers. Steps 1 – 4 provide details of unfreezing, step 5 – 7 provide details of movement, while step 8 is unfreezing.

Kotter's Eight steps are as follows (as presented by Robbins *et al.* 2013, p.593):

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

9.5 Action Research

Action research is a process of change that derives from the systematic collection of data and selection of change action(s) that best suit(s) identified problems. It consists of five steps namely: diagnosis, analysis, feedback, action, and evaluation. The change agent is often a consultant hired from outside the organization.

- Diagnosis: The change agent gathers information from members of the organization regarding their problems, challenges and necessary changes.
- Analysis: The consultant then analyses the data (information) collected at stage one; to identify key problems and patterns that exist, which he or she categorizes. o Feedback: The change agent shares his or her from steps one and two with members of the organization.
- Action: The members, in conjunction with the change agent, then take action by developing and implementing plans to usher in the expected change.
- Evaluation: In this step, the effectiveness of the plans and actions so far taken are evaluated against the data collected during step one.

This approach offers the following advantages:

- Determines action plans based on identified problems
- Members participate in the entire process, which promotes their ownership of the change programme and reduces resistance to the change.

9.6 Organizational Development

Organizational development (OD) can be defined as "a collection of planned change interventions, built on humanistic-democratic values, that seeks to improve organizational effectiveness and employee wellbeing." (Robbins *et al.* 2013, p.595).

OD emphasizes on how employees view their environment. The underlying values in majority of organizational development method are: treating people with respect and dignity; providing a climate of trust, openness, and support; removing emphasis on hieratical authority and control; confronting problems in an open manner; and involving people in the process of change that will affect them.

9.6.1 Organization Development Techniques

- **Process Consultation**

In this technique, a consultant is hired from outside to assist a manager to better understand the organization's process events, such as communication channels, work flow, informal relationships, etc., and to identify and deal with processes that need improvement. The consultant is not there to solve the organizations problems but to guide the manager to solve his or her problems after they have diagnosed the problem together. The manager's participation in the entire process of process consultation, enable him or her to develop the skills to analyze and understand processes, and to find ways of improving them.

- **Survey Feedback**

This technique involves the use of questionnaires to evaluate the attitude of members of an organization, identify and resolve discrepancies in members' perceptions. The major participants in this survey are the unit managers and their direct subordinates, who respond to questionnaires items on their attitudes and perceptions on organizational issues such as job satisfaction, communication effectiveness, decision-making practices etc. questionnaire data are tabulated with data relating to each employee's unit and that of the entire organization. The tabulated data are distributed to employees as the basis for discussion, identifying problems, and solutions to the problems so identified.

- **Appreciative Inquiry**

Appreciate Inquiry is an organizational development approach that seeks to identify an organization's distinctive qualities and strengths, which can be built on to increase performance. The approach consists of four steps namely; discovery, dreaming, design, and destiny. The appreciative inquiry technique is often conducted within a large group gathering over a few days period.

The first step, discovery, is concerned with finding out from employees what the organization's strengths are. In step two, dreaming, employees visualize on the organization's future based on step one. In step three, design, the employees agree on a common vision of the organization's future and its distinctive qualities. In the final step, destiny, the employees formulate actions plans and implementation strategies on how to achieve its dreams (destiny) for the organization.

- **Team Building**

This organizational development intervention seeks to resolve dysfunctional conflicts in an organization by changing groups' attitudes, stereotypes, and perceptions about other groups. A way of solving this problem is for each group to meet and list its perceptions of self, its perceptions of other groups, and how it feels other groups perceive its group. Each group shares its lists to other groups and the groups discuss the lists to ascertain the similarities, differences, and cause(s) of their differences. The groups can form subgroups constituted by the groups in conflict to identify their differences and its causes, and to proffer solutions. The groups integrate to effect improvements in their relationships.

Self-Assessment Excersize

What is organizational development?

9.7 Summary

In this unit, we discussed the meaning of organizational change, forces of organizational change, resistance to change, overcoming resistance to change, approaches to managing organizational development, and organizational development techniques.

From our discussion in this unit, we saw that change is imperative, driven by factors such as the nature of the workforce, technology, economic shocks, competition, social trends, and world politics. Some changes are planned, while others are spontaneous or accidental. Generally, employees tend to resist change due to fear of the unknown and other factors, but organizations have strategies to both implement change and overcome resistance, respectively.

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9.9 Possible Answers to Self-Assessment Exercise(s)

Organizational development (OD) can be defined as "a collection of planned change interventions, built on humanistic-democratic values, that seeks to improve organizational effectiveness and employee wellbeing."