

Organizational Psychology

PSY596



*University of Ibadan Distance Learning Centre
Open and Distance Learning Course Series Development
Version 1.0 v1*

Course Development Team

David Okurame

A.S Okhakhume

Helen Osinowo

Grace Adejuwon

Folajimi Olambo Fakoya

Content Authoring

Learning Design Technologist & ODL Editor

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About this course manual

Organizational Psychology PSY596 has been produced by University of Ibadan Distance Learning Centre. All course manuals produced by University of Ibadan Distance Learning Centre are structured in the same way, as outlined below.

How this course manual is structured

The course overview

The course overview gives you a general introduction to the course. Information contained in the course overview will help you determine:

- If the course is suitable for you.
- What you will already need to know.
- What you can expect from the course.
- How much time you will need to invest to complete the course.

The overview also provides guidance on:

- Study skills.
- Where to get help.
- Course assignments and assessments.
- Margin icons.

We strongly recommend that you read the overview *carefully* before starting your study.

The course content

The course is broken down into Study Sessions. Each Study Session comprises:

- An introduction to the Study Session content.
- Study Session outcomes.
- Core content of the Study Session with a variety of learning activities.
- A Study Session summary.
- Assignments and/or assessments, as applicable.
- Bibliography

Your comments

After completing Organizational Psychology we would appreciate it if you would take a few moments to give us your feedback on any aspect of this course. Your feedback might include comments on:

- Course content and structure.
- Course reading materials and resources.
- Course assignments.
- Course assessments.
- Course duration.
- Course support (assigned tutors, technical help, etc.)

Your constructive feedback will help us to improve and enhance this course.

Course Overview

Welcome to Organizational Psychology PSY596

This course will introduce you to the major topics, concepts, and theories comprising organizational psychology. You will gain a better understanding of people's behavior in a wide range of organizations, as well as important contributing cognitive processes and emotions.

The course introduces us to the meaning of organizational behavior and the topics treated under it. It focuses on the understanding of the concepts in organizational behavior and their usefulness in real-life setting.

Aims and Objectives

The main aim of the course is to provide students' with a thorough overview of the practice of organizational psychology

Specific Objective

The course wants to achieve these specific objectives




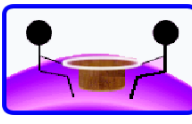








- To improve students' understanding of the world of organizational behavior.
- To improve understanding on how motivations and work performance
- To improve the understanding of concepts in organizational behavior and their usefulness in real-life setting.

Getting around this course manual

Margin icons

While working through this course manual you will notice the frequent use of margin icons. These icons serve to “signpost” a particular piece of text, a new task or change in activity; they have been included to help you to find your way around this course manual.

A complete icon set is shown below. We suggest that you familiarize yourself with the icons and their meaning before starting your study.

			
Activity	Assessment	Assignment	Case study
			
Discussion	Group Activity	Help	Outcomes
			
Note	Reflection	Reading	Study skills
			
Summary	Terminology	Time	Tip

Study Session 1

Introduction to Organizational Psychology

Introduction

In this study session, you will examine organizational psychology. You will discuss its meanings and how it seeks to understand individuals in a formal environment. Also, you will highlight the differences between organisational psychology and organisational behaviour.

Learning Outcomes



Outcomes

When you have studied this session, you should be able to:

- 1.1 describe organizational psychology

1.1 What is Organizational Psychology?

Organizational psychology utilizes scientifically-based psychological principles and research methods to study a variety of topics important to understanding human behaviour in many different types of organizations. As such, organizational psychology is an applied field relevant to virtually all work settings (and many non-work settings).

In the most general sense, organizational psychology is the scientific study of individual and group behaviour in formal organizational settings. Katz and Kahn, in their classic work, *The Social Psychology of Organizations* (1978), stated that the essence of an organization is “patterned” human behaviour.

When behaviour is patterned, some structure is imposed on individuals. This structure typically comes in the form of roles (normative standards governing behaviour) as well as a guiding set of values. An organization can-not exist when people just “do their own thing” without any awareness of the behaviour of others.

Given Katz and Kahn’s defining characteristic of organizations (e.g., patterned activity), it is easy to see that there are many organizations in this world. A group of five people who regularly play poker on Friday nights would fit this definition, as would a major multinational corporation. Therefore, to further define the field of organizational psychology, it is important to distinguish between formal and informal organizations. A formal organization is one that exists to fulfil some explicitly stated purpose, and that purpose is often stated in writing. Formal organizations also typically exhibit some degree of continuity

over time; they often survive far longer than the founding members do. Business organizations obviously exhibit these defining characteristics of a formal organization, as do many other non-profit organizations and government agencies. In contrast, an informal organization is one in which the purpose is typically less explicit than for a formal organization. Going back to the previous example of five poker players, these individuals are obviously spending time together because they enjoy playing poker and, in all likelihood, each other's company. It is doubtful, though, that in this situation these goals are captured in writing, or even explicitly stated. It is also doubtful whether this small group would continue to exist if three of the five members moved to another city or simply lost interest in poker. Organizational psychology is concerned with the study of formal organizations. That is not to say that the formal organizations of interest to organizational psychologists are always business organizations.



A formal organization is one that exists to fulfil some explicitly stated purpose, and that purpose is often stated in writing.

We know, for example, that informal friendship ties exist in organizations, and they have important implications for the functioning of formal organizations (Riordan & Griffith, 1995). In this same vein, processes that occur in informal groups and organizations may provide some insight into processes that occur in formal organizations. For example, the manner in which a status hierarchy develops in an informal group may help us to better understand the emergence of leadership in formal organizations.

Another point of clarification in the definition provided above has to do with the term psychology itself. Psychology is the scientific study of individual human behaviour and mental processes. Two things are important to note about this definition. First, organizational psychologists use methods of scientific inquiry to both study and intervene in organizations.

This simply means that organizational psychologists use a systematic data-based approach to both study organizational processes and solve organizational problems. The "data" used by organizational psychologists may come in a variety of forms, including survey responses, interviews, observations, and, in some cases, organizational records.

Second, organizational psychology is intellectually rooted in the larger field of psychology. The most important implication of this connection to the broader field of psychology is that organizational psychology focuses on individual behaviour. What it means is that regardless of the level at which some phenomenon occurs, individual behaviour is the most important mediating factor (Porras & Robertson, 1992). Thus, to understand the impact of group and organizational-level variables, we must focus on how they impact individual behaviour. Groups and organizations don't behave; people do. This strong focus on individual behaviour also serves to distinguish organizational psychology from other

social science disciplines (e.g., sociology, economics, and political science) that attempt to explain organizational processes. It is also one way in which organizational psychology differs from the closely related field of organizational behaviour.

ITQ

Question

- _____organization is one that exists to fulfil some explicitly stated purpose and that purpose is often stated in writing.
(a) Formal (b) Informal

Feedback

- The correct option is 'a'. An organisation that exists to fulfil some explicitly stated purpose is referred to as a formal organisation.

1.1.1 Organizational Psychology versus Organizational Behaviour: What's the Difference?

In all honesty, these two fields are much more similar than different, so much so that many faculties that teach organizational behaviour in business schools received their training in the Departments of Psychology. Though less common, some faculty who teach organizational psychology received their training in business schools.

Despite the outward similarities, there are actually subtle differences between organizational psychology and organizational behaviour.

Moorhead and Griffin (1995) define organizational behaviour as “the study of human behaviour in organizational settings, the interface between human behaviour and the organization, and the organization itself” (p. 4). If we focus only on the first part of this definition, it is impossible to distinguish organizational psychology from organizational behaviour. However, we start to see a hint of where differences lie in the portion of the definition stating that organizational behaviour is concerned with “the organization itself.” Specifically, those schooled in organizational behaviour are concerned not only with individual behaviour in organizations, but also with macro-level processes and variables such as organizational structure and strategy. These are viewed as interesting and worthy of study in their own right.

Organizational psychology is also concerned with the impact of macro-level variables and processes, but only to the extent that such variables and processes have an impact on individual behaviour. Thus, one subtle way in which organizational psychology and organizational behaviour differ is that organizational behaviour is a bit more “eclectic” in its focus than is organizational psychology. Much of the reason for this difference is that organizational behaviour draws off a greater variety of disciplines than does organizational psychology. While organizational psychology draws largely from various subfields within psychology, organizational

behaviour draws not only on psychology but sociology, anthropology, economics, and labour relations, to name a few.

In a broader sense, organizational behaviour is the study and application of knowledge groups. Organizational behaviour is also known as OB in which large number of facts can be used for analysis purpose. It helps manager to look for the behaviour of individual in organization. OB applies knowledge gained about individuals, groups and structure. It is also concerned with what people do in an organization and how that behaviour affects the performance of that organization. Manager of an organization is required to have a corporate knowledge and information about following facts:

1. When do two people (co-workers, or a superior -subordinate) interact?
2. When do two or more groups need to co-ordinate their efforts?
3. What complexities are involved in inter-personal relations?
4. Why some employees are more successful than others?
5. How can we act as a team?
6. How to handle the stress of workers - superiors and sub ordinates?
7. How to obtain suggestions from employees?
8. Why the culture of one organization differs from other and why it is changing constantly?

An understanding of organizational behaviour is valuable for improving human behaviour in positive direction, on the one hand and the total organization climate, on the other hand. It tries to promote our understanding of the process of human behaviour and the changes that takes place in the goals, roles, values and interests of the organization members during the course of their association with the organization.

Study Session Summary



Summary

In this study session, you discussed the meaning and characteristics of organisational psychology. To buttress this discussion, you attempted differentiating between the organisational behaviour and organisation psychology.

Assessment



Assessment

SAQ 1.1 (tests Learning Outcome 1.1)

Define organisational psychology

Study Session 2

Personnel Psychology and Human Resource Management

Introduction

In this study session, you shall be discussing personnel psychology and human resource management. These two concepts discuss the relationship between human psychology and the work environment. You will therefore highlight the duties of personnel psychologists and human resource manager.

Learning Outcomes



Outcomes

When you have studied this session, you should be able to:

2.1 explain personnel psychology

2.1 How are Personnel Psychology and Human Resource Management Defined?

Personnel psychology can be defined as a general label for that aspect of industrial/organizational psychology concerned with (a) the selecting, supervising and evaluating of personnel, and (b) a variety of job-related factors such as morale, personal satisfaction, management-worker relations and counselling". It is the field of study that concentrates on the selection and evaluation of employees. This area of psychology deals with job analysis and defines and measures job performance, performance appraisal, employment tests, employment interviews, employee selection and employee training, and human factors.

The term 'human resource management' is not easy to define. This is because it is commonly used in two different ways. On the one hand it is used generically to describe the body of management activities covered in books such as this. Used in this way HRM is really no more than a more modern and supposedly imposing name for what has long been labelled 'personnel management'. On the other hand, the term is equally widely used to denote a particular approach to the management of people which is clearly distinct from 'personnel management'. Used in this way 'HRM' signifies more than an updating of the label; it also suggests a distinctive

philosophy towards carrying out people-oriented organizational activities: one which is held to serve the modern business more effectively than 'traditional' personnel management. Human resource is the set of individuals who make up the workforce of an organization, business sector or an economy. "Human capital" is sometimes used synonymously with human resources, although human capital typically refers to a more narrow view; i.e., the knowledge the individuals embody and can contribute to an organization. Likewise, other terms sometimes used include "manpower", "talent", "labour", and simply "people"

ITQ

Question

- _____ is the field of study that concentrates on the selection and evaluation of employees.

Feedback

- The field of study that concentrates on the selection and evaluation of employees is referred to as Personnel psychology.

2.1.1 Duties of a Personnel Psychologists and Human Resource Manager

Job Analysis

Job analysis can be defined as "A loose term for the study of particular aspects of a given job. Those aspects may range from the tasks and duties of the position, to an examination of the desirable qualities of an employee, to the conditions of employment including pay, promotion opportunities, vacations, etc." There are many different ways to conduct a job analysis, as there are many different parts to it: job evaluation, job description, and job specifications. The most common tool used to measure job design is the Job Description Survey or JDS, but there is growing literature for other surveys and measures such as the Work Design Questionnaire or WDQ. Such analyses are used to determine "what is important" within the job description, so as to better educate companies and individuals on the descriptions and requirements of the job.

Selection

Selection involves the exchange of information between applicants and employers. Personnel selection involves the goal alignment of applicants and organizations, however those goals may not always line up at times. Thus selection processes are designed to ensure that those goals line up and individuals are the best "fit" for the organization. Thus individuals may be likely to adapt their own behaviour to better align with an organization. Interviews are one of the most important pieces of information in regards to selection decisions. Nathan, Steven, Philip, Paresh, (2011).

In the interviews, it is found that individuals are more likely to exhibit organizational citizenship behaviours (OCB) in their hopes of being hired

by the company, but it is also found that these OCBs play a positive role in the interviewer's evaluation of the individuals. Today, increases in technology have allowed for a much easier administration of such online tests as measures of aptitude, achievement, and personality. Thus these tests are starting to serve as the first hurdle of the selection process, even more so than the interview.

Rewards

One major approach to compensation around the world is performance based pay. Short of job loss, income security is a major stressor for individuals as they stress out over predictability of income. In contrast, other research has also shown though that such pay systems can actually provide motivation, satisfaction, or desired challenge levels to the job, instead of individuals perceiving it is inequality, unfair, or stressful. Ganster, Kiersch, Marsh, Bowen, (2011). Stable pay systems have been found to not necessarily be the best link between an individual's performance and his pay level. Stable pay levels can also account for decreases in performance as individuals' incomes are not linked with their performances. Thus these performance levels may drop without a perceived cost to their pay level. It has also been found that individuals who perceive a strong connection between their effort and reward are evaluated more highly and in turn have higher work satisfaction.

Study Session Summary



Summary

In this study session, you discussed the roles of a personnel psychologist. Likewise, you examined the duties of a human personnel manager as it relates to job analysis, selection and rewards.

Assessment

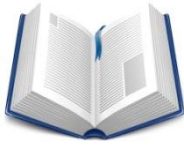


Assessment

SAQ 2.1 (tests Learning Outcome 2.1)

What is personnel psychology?

Bibliography



Reading

Ganster, Daniel C.; Kiersch, Christa E., Marsh, Rachel E., Bowen, Angela (1 October 2011). "Performance-Based Rewards and Work Stress" *Journal of Organizational Behaviour Management* **31** (4): 221–235.

Podsakoff, Nathan P.; Whiting, Steven W., Podsakoff, Philip M., Mishra, Paresh (1 January 2011). "Effects of organizational citizenship behaviours on selection decisions in employment interviews" *Journal of Applied Psychology* **96** (2): 310–326.

Study Session 3

Organizational Chart

Introduction

In this study session, you will examine the organizational chart. You will be exploring its usefulness and the different types that exist. You will also learn how to construct an organisational chart that will be useful in the formal office settings.

Learning Outcomes



Outcomes

When you have studied this session, you should be able to:

- 3.1 define organizational chart
- 3.2 describe the information in an organisational chart
- 3.3 create an organisational chart

3.1 Defining Organizational Chart

Organizational chart is the framework, typically hierarchical, within which an organization arranges its lines of authority and communications, and allocates rights and duties. Organizational structure determines the manner and extent to which roles, power, and responsibilities are delegated, controlled, and coordinated, and how information flows between levels of management.

Organizational structure depends entirely on the organization's objectives and the strategy chosen to achieve them. In a centralized structure, the decision making power is concentrated in the top layer of the management and tight control is exercised over departments and divisions. In a decentralized structure, the decision making power is distributed and the departments and divisions have varying degrees of autonomy. An organizational chart illustrates the organizational structure.

Organizational chart (often called **organization chart**, **org chart**, **organogram** (me), or **organogram** (me)) can also be defined as a diagram that shows the structure of an organization and the relationships and relative ranks of its parts and positions/jobs. The French Encyclopaedia published in France between 1751 and 1772 had one of the first organizational charts of knowledge in general. The Scottish-American engineer Daniel McCallum (1815–1878) is credited for creating the first organizational charts of American business around 1854.

A company's organizational chart typically illustrates relations between people within an organization. Such relations might include managers to

sub-workers, directors to managing directors, chief executive officer to various departments, and so forth. When an organization chart grows too large it can be split into smaller charts for separate departments within the organization.

ITQ

Question

- _____ determines the manner and extent to which roles, power, and responsibilities are delegated, controlled, and coordinated, and how information flows between levels of management.

Feedback

- The manner and extent to which roles, power, and responsibilities are delegated, controlled, and coordinated, and how information flows between levels of management is determined by Organizational structure.

3.1.1 Types of Organizational Charts

Every organization whether big or small have got organizational chart. The organizational chart shows the structure of the organization. Or in other words the organizational charts define "Line of Command" and establish the ground rules for who is working with whom. There are basically three types of organizational charts, they include:

Hierarchical

In Hierarchical organization chart, the organization is divided in two different levels where the line of command follows downwards from the top level to the bottom or the lower level.

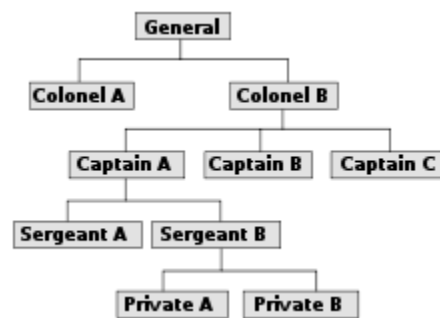
Matrix

In matrix organizational chart, the organization is divided in such a pattern that the same skilled peoples are pooled together in a group reporting to the respective manager of their group.

Flat or Horizontal

In Flat organizational chart, there are few or no levels. It may consist of only managers and the workers and this type of organizational charts are possible only in small or individual unit organizations. Depending upon the organization you can choose from types of organizational charts which suite your business and the organization.

Examples



Here is a military example chart for explanation purposes.

The following is an example of a simple hierarchical organizational chart is the image-chart on the right.

An example of a 'line relationship' (or chain of command in military relationships) in this chart would be between the Manager and the two Supervisors. These two colonels are directly responsible to the general.

An example of a 'lateral relationship' in this chart would be between "Foreman A", and "Foreman B" who both work on level and both report to the "Workers A".

3.1.2 Constructing an Organizational Chart

All organizational charts have similar elements that allow them to be easily interpreted and understood by people inside and outside of the organization. Charts consist of shapes and lines that represent work units and their hierarchy. See Figure 1 for an example of an organizational chart.

The basic building block of an organizational chart is the rectangle, which can represent a person or a work unit (e.g., a department). For example, as shown in figure 1, the CEO position has a separate rectangle that denotes one person, but the entire Public and Community Relations Department is also represented by one rectangle. If the outline of the rectangle is dashed, this means that a position is open and must be filled, as with one of the manager positions. If a rectangle is divided, and two or more names are in it, this may indicate job sharing or that multiple people are responsible for the outcomes associated with this position. In the figure, W. Allen and P. Lloyd are co-managers in one area of the Production and Services Marketing Department, where they have a job sharing arrangement and each works part-time hours.

The boxes may contain as much or as little information as the organization prefers. They may include a job title, an employee's name, an employee's department, or even information such as job tenure, education, or salary. Alternatively, a chart may be created without rectangles, with names or titles standing alone. The three employees in the Public and Community Relations Department are listed with their names not in rectangles. This often is done to save space on the chart.

Rectangles on an organizational chart are linked with solid or dashed lines. A solid line indicates a formal, direct relationship and a dashed line indicates that one employee or department advises another or has some other sort of indirect relationship. Note that all but one of the reporting relationships in figure 1 are formal. L. Jiminez has a dashed line to the Product and Services Marketing Department, which means that she sometimes will work for that department or will report to that department's manager. When lines represent a tree structure when two or more rectangles are linked to another with multiple lines this indicates that several individuals or departments report to one supervisor. For instance, the tree structure represents the relationship between the CEO and the three top managers who report to the CEO. Finally, a rectangle that is attached horizontally outside of the vertical hierarchy typically indicates an assistant or staff person. In the example, this is represented by the executive secretary to the CEO.

While organizational charts can be created by hand, most are created using computer software. Although it may be labour intensive, organizational charts can be created using drawing tools in a word processing program. Microsoft's PowerPoint presentation software allows for the creation of organizational charts, although there is little space available to create large charts. Specific software exists for creating

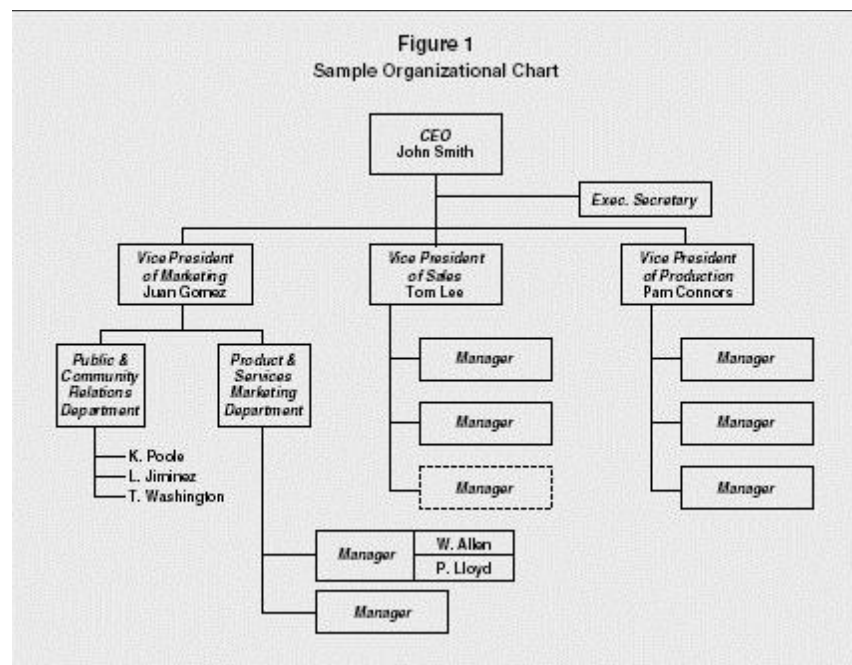


Figure 3.2

3.1.3 Sample Organizational Chart

Larger, more complex charts, and there are many different packages available for purchase. Some examples are:

1. OrgPlus5
2. Concept Draw V
3. SmartDraw
4. Abra Org Chart.

These software programs allow for quick and easy chart creation with point-and-click menus and automatic resizing and alignment. Many of these software programs also allow one to easily download charts into a word processing document, a presentation, or a Web site. Other features available in these programs include the ability to insert employee photographs, as well as information from other human resources computer programs, directly into charts.

ITQ

Question

- Which of these is not a professional package for creating organisational chart?
 - (a) Microsoft word
 - (b) SmartDraw
 - (c) Concept draw V
 - (d) OrgPlus5

Feedback

- The correct option is 'A' Microsoft word. Microsoft word is not a professional chart package unlike others.

3.2 Information in the Organizational Chart

The organizational chart provides a great deal of information about the organization as a whole and the interaction of its parts. From a chart, one can see the organization's structure, its hierarchy, the degree to which it is centralized or decentralized, and its chain of command. Each of these is summarized below.

3.2.1 Organizational Structure

First, organizational charts detail an organization's structure. It may be functional, in which work units are divided based on what they do and named after those functions (e.g., research and development, marketing, sales, etc.). The structure may be divisional, based on product, customers served, or geographic location. Finally, an organizational chart may represent a matrix structure, in which work units are organized by both function and division.

3.2.2 Organizational Hierarchy and Centralization

In addition to outlining the type of organizational structure, the organizational chart also indicates the number of management levels, whether the organizational structure is tall or flat, and the span of control at each level. Tall organizations have many levels of middle management and small spans of control. Each manager supervises and directs few employees, and the chain of command has many managers. Conversely, a flat organization has fewer management levels and larger spans of control. Because managers supervise more employees, employees tend to have more autonomy and discretion in their jobs.

Organizational hierarchy and the number of management levels often indicate the degree of centralization within an organization. Centralized organizations are those in which most of the decision making occurs by a few people at the top of the hierarchy. This typically creates a top-down management structure, in which top-level managers strongly control the direction of the workplace through their decisions and supervision. Conversely, an organization with a decentralized structure allows greater decision-making and authority at lower organizational levels. Highly decentralized companies may have units that operate nearly independently of one another. The degree of hierarchy on an organization's chart normally will help one to determine the degree of centralization or decentralization within its structure. Typically, the taller the organization, the more centralized it is; flatter organizations generally require more decentralization, because managers each have broader spans of control and cannot direct and closely supervise so many people. Additionally, as previously described, the organization's structure may indicate the degree of centralization. Functional structures tend to be more centralized than do divisional structures.

3.2.3 Chain of Command

The vertical and horizontal lines connecting the rectangles on an organizational chart indicate reporting relationships and chain of command. That is, they indicate which employees are directly responsible for the supervision of others and who has ultimate accountability for a group of employees.

3.2.4 Availability of the Organizational Chart

Many companies make their organizational chart available to their employees and to the public. The members of the public who may have an interest in a company's organizational chart include company shareholders, investors, distributors and suppliers, customers, potential job applicants, and even community members.

Employees typically have access to the organizational chart through materials provided by the organization (e.g., the employee handbook) or through a company Web site. Providing the organizational chart to employees allows them to see the structure of the organization and to better understand the entirety of the organization and how their position or work unit fits into it. Additionally, the observable chain of command can help an employee to understand to whom they are accountable. This may aid the company in diagnosing organizational problems by being able to pinpoint accountability.

Many organizations now make their organizational charts available for viewing by the general public, either online or in corporate literature for shareholders and prospective employees. By providing this information, these external stakeholders and other interested parties may gain a better understanding of the organization. The chart may give them a sense of the organization's operations, workforce, or even its strategy.

3.2.5 Changes to the Organizational Chart

There are a number of reasons that an organizational chart might change since the chart must reflect any alterations to the organizational structure. The structure may change due to a company's growth, decline, or restructuring.

Growth or Decline

All organizations progress through a life cycle of growth, maturity, and decline, and in each stage the organizational structure is likely to be different. In the growth stage, the company is expanding rapidly, gaining customers and market share. Growth will occur when a company is just beginning and when the products and services are gaining a foothold. It may also occur when an organization develops a new product or expands into new markets, perhaps in other countries. With growth, the organizational chart will change. Levels of management may be added, along with new departments.

In maturity, an organization is no longer growing at a rapid rate and is stable in its production and sales. The organization may introduce minor changes to a product or service, but there are unlikely to be major changes to its structure.

In the decline stage, the organization is losing ground in the marketplace. It may be that its products or services are becoming obsolete or that its competitors are taking over the market. In decline, the organization may shed levels of management or positions in all divisions. Additionally, it may outsource work in some areas and thus remove those departments from its structure. Or, as certain products or services are dropped from the organization, the work units needed for these products and services also may be eliminated. Thus, in the decline stage the organizational chart is likely to be streamlined or shrunken.

Restructuring

Restructuring occurs when an organization reduces its workforce by eliminating large numbers of management and line employees. Restructuring typically occurs when information technology can be used to achieve the same productivity outcomes with fewer people. With restructuring, management levels may be eliminated entirely, or entire departments may be removed. This particularly is true if outsourcing accompanies the restructuring.

3.2.6 Usage of Organizational Chart

- Defining the roles and responsibilities of all personnel within the organization
- Establish communication channels into flows, incorporating a chain of command with specific rules and regulations relating to reporting procedures and accountability methods
- Establishing a hierarchical structure of authority, power and hence decision making

- Establishing control mechanisms such as the degree of centralization and span of control
- Establishing strategies for cooperation of work practice
- Establishing decision-making process
- Establishing specific operational functions and tasks

3.3 Creating an Organizational Chart-Process

Robert Simons (Levers of Organization Design, 2005) suggests that there are main tensions or levers underlying any organization design:

1. Strategy (structure follows strategy) versus structure (organization design influences future strategies)
2. Accountability (for today's goals) vs. Adaptability (to future changes)
3. Ladder's (vertical hierarchies) vs. Rings (horizontal networks)
4. Self-interest (individual) versus Mission Success (department, business units, cooperation)

3.3.1 History of Organizational Chart

The Egyptians are thought to be the first people to use charts to illustrate the division of labour employed for large projects like the building of the Pyramids. Daniel C. McCallum, a supervisor for the Erie Railroad in New York, is credited for introducing org charts to the American railroad industry in 1855. Faced with the railroad's financial strain and productivity slumps due to a lack of sufficient management, McCallum split management responsibility between the superintendents by having each manage a certain number of employees within his department. These superintendents wrote weekly reports for upper management, who in turn, reviewed the reports and gave further direction to the superintendents to pass on.

McCallum's charts included lines connecting the superintendents to the subordinates, while keeping them structured within each separate division. His chart sketches, resembling family trees much like today's org charts, were thought to be the first recorded business organizational charts in America. He created organizational charts covering over 500 miles of railroad and their corresponding employees. As the Erie Railroad Company went on to become one of the most successful railroads, others followed McCallum's ideas and copied his organizational charting technique.

Years later, another man named Alfred Chandler continued to develop and promote the concept of management hierarchy in the workplace. Born in 1918, Chandler was a Harvard graduate turned professor. In his book, *The Visible Hand: The Managerial Revolution in American Business*, he described how implementing a hierarchical structure in an organization would increase productivity and ultimately lower costs. The structure allowed a logical chain of command and increased power, authority and company growth under top management and their subordinates. Chandler is also acknowledged as the founder of the discipline of business history.

Since then, organizational charts have been used in the majority of work fields, including education, government, healthcare, food and beverage, communications, retail, non-profit, technology, local, state, energy and gas, and transportation corporations. Org charts are used in companies with less than 50 employees to companies managing over 7,500 employees including international personnel. Over the years, there have been many tools for creating organizational charts, including Microsoft Visio and PowerPoint. Today, specific software is available to create organizational charts for all company sizes. What was once was considered an evolutionary tool for workplace management has now become a necessity for any organization.

3.3.2 Limitations of Organizational Chart

There are several limitations of organizational charts:

- If updated manually, organizational charts can very quickly become out-of-date, especially in large organizations that change their staff regularly.
- They only show 'formal relationships' and tell nothing of the pattern of human (social) relationships which develop. They also often do not show horizontal relationships.
- They provide little information about the managerial style adopted (e.g. 'autocratic', 'democratic' or an intermediate style)
- In some cases, an organography may be more appropriate, particularly if one wants to show non-linear, non-hierarchical relationships in an organization.
- It often does not include customers.

Study Session Summary



Summary

In this study session, you discussed the organisation charts. You examined its forms and uses.

Assessment



Assessment

SAQ 3.1 (tests Learning Outcome 3.1)

Define organisational chart

SAQ 3.2 (tests Learning Outcome 3.2)

Give reasons why an organizational chart might change

SAQ 3.3 (tests Learning Outcome 3.3)

List five limitation of an organisational chart

Study Session 4

Recruitment Process and Organizational Socialization

Introduction

In this study session, you will discuss recruitment process and organisational socialisation. You will examine how organisations plan and execute recruitment processes. You will also explore the different phases of recruitment process.

Learning Outcomes



Outcomes

When you have studied this session, you should be able to:

- 4.1 describe the concept of organizational socialization
- 4.2 discuss phases of organizational socialization

4.1 Concept of Organization Socialization

Organizational socialization is defined as “the process through which a new employee learns to adapt to an organizational culture”. Cooper-Thomas and Anderson (2005) state organizational socialization refers to “the period of newcomer adjustment and learning to meet organizational standards and norms that follows selection and assessment. The transition from non-employee to employee at an organization is called the process of organizational socialization.

Organization socialization as process starts from Organizational socialization is defined as “the process through which a new employee learns to adapt to an organizational culture”. Cooper-Thomas and Anderson (2005) state organizational socialization refers to “the period of newcomer adjustment and learning to meet organizational standards and norms that follows selection and assessment. The transition from non-employee to employee at an organization is called the process of organizational socialization. Before socialization process is an aspect in organizational psychology that is called recruitment process.

The aim of recruiting is to generate a large pool of highly qualified applicants so that the organization can select those who stand a good chance of becoming productive and successful employees. In college athletics, for example, coaches typically spend most of the off-season recruiting highly prized high school athletes. Successful recruiting

increases the chances that the new employees an organization selects will fit well into the culture of the organization and will be socialized more successfully.

4.1.1 Recruitment Planning

Organizations typically do not recruit new employees in a random fashion. Rather, an organization's recruiting efforts are typically based on careful planning as to: (1) the number of employees that will be needed in various jobs, (2) when these new employees will be needed, and (3) the present and future supply of potential employees in the labour market. An organization that understands these three elements of planning will be able to focus its recruiting efforts much more effectively. According to Cascio (1998), this crucial first step in the recruitment process is known as recruitment planning.

What type of information does an organization need to develop a sound recruitment plan? First and foremost, recruitment planning should coincide with an organization's strategic planning. A strategic plan can be thought of as an organization's plan for "where we're going" and "how we're going to get there." Strategic planning must be linked to recruitment planning because strategic plans often have clear implications for staffing needs. As an example, let's say the coach of a professional football team decides to replace an offensive system that relies heavily on running plays with one that relies primarily on passing. This change in strategy will require players with different skills and thus will have implications for recruiting. The coach would want to focus on obtaining a highly talented quarterback and corps of receivers, either through the college draft or by other means (e.g., trades or free-agent signings).

Another factor that should be considered in developing a recruitment plan is succession planning. Succession planning involves making some projections as to the likelihood of turnover within various job categories. This is often done on the basis of projected retirements, but may be based on other factors as well (i.e., employees in limited-term jobs, employees returning to school). Based on these projections, an organization can often gear its recruiting efforts toward attracting individuals who have the skills necessary to perform the work of those who may be leaving the organization. As with any prediction, there is some degree of uncertainty in succession planning. For example, since there is no mandatory retirement age for most occupations, organizations are often uncertain as to the retirement plans of senior employees.

A third consideration in recruitment planning is the skills and abilities of current employees. Many organizations ask current employees to periodically complete what is known as a skills inventory. A skills inventory may ask employees to document their job experiences, continuing education (if any), and special skills and competencies. If current employees possess the skills and abilities needed by an organization, there is obviously less need to recruit from outside sources. This is important because filling positions internally has certain advantages (i.e., less adjustment for the employee and less cost for the organization) and may create positive incentives for employees.

ITQ**Question**

Which of these is not what should be known by an organization's recruiting efforts when careful planning?

- A. The number of employees that will be needed in various jobs
- B. When these new employees will be needed
- C. The present and future supply of potential employees in the labour market
- D. The kind of food the employee love most

Feedback

The correct option is 'D'. There is no business with the employer in knowing the kind of food employee love most. Others are what an organisation's recruiting effort should know when planning.

A final piece of information that is useful for developing a recruitment plan is some assessment of the supply of labour for various job categories. This type of information can often be obtained relatively easily from government agencies, trade associations, and, in some cases, professional organizations. In the field of I/O psychology, for example, the Society for Industrial and Organizational Psychology (SIOP) collects information about the supply of labour in the profession. The basic question an organization is seeking to answer is whether the supply of employees in different job categories is very plentiful or very scarce. For example, the supply of attorneys in the United States has grown to the point where they are quite plentiful in the labour market. In contrast, software developers and computer programmers are in relatively short supply.

Labour market information is useful because it will influence the approach an organization will take in its recruiting efforts, as well as the choice of specific recruiting sources. To fill jobs for which labour is in short supply, organizations may need to be highly aggressive in their recruiting efforts and perhaps offer other incentives (e.g., sign-on bonuses) to attract new employees. Such recruiting efforts may require the assistance of executive search firms and may be international in scope. In contrast, when the supply of labour is plentiful, organizations may be able to devote fewer resources to recruiting efforts, and may adopt a much less aggressive approach. For example, if many unskilled manual labour positions are open, organizations may rely on referrals from current employees or simply invite walk-in applicants.

With these in place, organizational socialization can begin to take shape. Organizational socialization can have a significant impact on job satisfaction. Jex and Britt (2008) believe one's attitude, motivation, and involvement in a position is a direct result of organizational socialization. Higher levels of job satisfaction, motivation, and involvement are noticed in employees who are successfully socialized in an organization. Lower levels of organizational socialization success can

result in high employee turnover, poor attendance, low productivity, lack of motivation, and little to no involvement in the organization.

The human resource department contributes a great deal in the success or failure of a new employee's social integration in the organization. This is most often through a comprehensive orientation for the new hire. The Society for Human Resource Management (2006) discovered that over 83% of companies provide a group or individual orientation. Six main topics should be addressed in the orientation: performance proficiency, people, politics, language, organizational goals and values, and history.

One of the most comprehensive definitions of organizational socialization was provided by Chao, O'Leary-Kelly, Wolf, Klein, and Gardner (1994). Their definition, which contains six dimensions, encompasses elements of task-related learning, knowledge of the social climate, and culture transmission. These six dimensions are as followed:

History

As a person becomes socialized into an organization, he or she gradually becomes familiar with an organization's long-held customs and traditions. Many organizations provide newcomers with this information during their initial orientation. New employees at Glo World, for example, learn about the legacy of Adenuga himself and the traditions of the organization in their initial training, also new employees at Waltz Disney learn about the legacy of Waltz Disney himself which is called "Traditions 101" (Peters & Waterman, 1982).

Language

The second dimension of socialization is language. All organizations utilize some terminology and jargon that are familiar only to organizational members. Some of this language may be required by the dominant profession within an organization (e.g., a law firm), but some is organization-specific. Newcomers to military organizations quickly learn about the reliance on military-specific terminology and acronyms. For example, "presentations" are referred to as "briefings," and "assignments" are referred to as "missions." With respect to acronyms, some readers may recall a hilarious scene in the movie *Good Morning, Vietnam* where the actor Robin Williams manages to squeeze every possible military acronym into one sentence.

Politics

A third aspect of socialization is politics. As newcomers become socialized into an organization, they gradually begin to understand the politics or "unwritten rules" that govern behaviour within the organization. For example, this may involve learning how to get things done, how to obtain desirable work assignments and who the most influential people in the organization are. Such things may appear to be obvious at first, but they may actually be more complex. In many organizations, newcomers often find that power and influence are only moderately related to hierarchical level. For example, it is not unusual for clerical employees to be very influential because they can control the

flow of information and access to those at higher levels of the organizations.

ITQ

Question (True/False)

- Labour market information is useful when planning recruitment.

Feedback

- The correct option is “True”.
Labor market information is useful because it will influence the approach an organization will take in its recruiting efforts, as well as the choice of specific recruiting sources.

People

The fourth dimension of socialization is people. Most organizational newcomers typically belong to some group or unit, so they must establish and maintain good working relationships with others. This may involve establishing friendships both within the work group and in the organization as a whole. Although such contacts may be important in and of themselves, they also may help a newcomer to understand the history and politics of the organization. In many universities, for example, this process is facilitated by pairing new faculty with senior faculty mentors. These mentoring relationships are important in helping newcomers to adjust to their new surroundings, make contacts within the university, and understand the history of the institution.

Organizational Goals and Values

The fifth dimension is organizational goals and values. Although members of organizations do not become robots who blindly follow orders, they must learn the goals and values of the organization and, to some extent, assimilate them as their own. An employee working for McDonald's, for example, must learn to get at least somewhat “fired up” about the prospect of satisfying customers. As stated earlier, some of this learning is accomplished in the attraction stage because employees tend to be attracted to organizations that they identify with ideologically. However, applicants typically do not have a complete grasp of the goals and values of an organization until they become regular employees.

Performance Proficiency

The final dimension of socialization, according to Chao et al. (1994), is performance proficiency. All organizational newcomers must learn to perform their jobs proficiently or they will not be able to maintain their membership for long. Building performance proficiency is a complex process that involves developing an understanding of one's job duties, as well as acquiring the specific skills necessary to perform them. As will be shown later in this chapter, a consistent theme in the organizational socialization literature is that this dimension is the top priority of new employees when they initially enter an organization. This is

understandable; rewards and other future opportunities within the organization are often contingent on performance.

4.1.2 Phases of Organizational Socialization

There are three phases of organizational socialization as developed by Jablin. Fredrick Jablin developed the linear model of socialization. The model consists of three distinct phases:

1. Anticipatory Socialization
2. Organizational Assimilation
3. Organizational Exit (Moore, 1993, p. 5).

Within the three main phases of Jablin's model there are two sub phases located within the phase of Organizational Assimilation. These phases are; the Encounter Period, and the Metamorphosis Period.

Anticipatory socialization is a conditioning that most people have developed prior to entering any organization, a set of expectations and beliefs concerning how people communicate in particular occupations and work settings (Jablin, 1987). Anticipatory socialization is "characterized by an individual's fantasizing about a particular occupation, and analysing the possibility of entering the occupation at a later point in time" (Moore, 1993, p.5). Jablin proposed two phases of anticipatory socialization: the phase of vocational choice/ socialization, and the phase of organizational choice/ entry.

Vocational anticipatory socialization as defined by Van Maanen (cited in Jablin, 1987) "assumes that as an individual matures from childhood to young adulthood he or she is intentionally and unintentionally gathering occupational information for the environment, comparing this information against his or herself-concept, "weighing the factors and alternatives involved in choosing an occupation and finally making a series of conscious choices which determine the direction of his [her] career". Numerous sources influence a person during this phase of vocational anticipatory socialization: family members, education institutions, part-time employment, peers, and the media.

The second phase of anticipatory socialization is the process of organizational anticipatory socialization. Jablin states that organizational anticipatory socialization is the expectations that an individual develops about an organization while in the process of applying for employment. Organizational anticipatory socialization takes place through two sources; organizational literature, "and through interpersonal interactions that a person has with other applications, organizational interviewers, teachers, and current employees" (Jablin, 1992, p.685). The source of organizational literature consists of job advertisements, annual reports, training brochures, and job preview booklets.

Each of these two phases offers information to a person about an organization and gives the person a vision of how the organization the managed. Through these techniques and sources, a person is able to start visualizing him or herself taking on a certain role in a given organization.

The next phase of Jablin's linear model of socialization is the phase of organizational assimilation. Jablin states the process of organizational

assimilation can be “thought of as the process by which an individual becomes integrated into the “reality” or culture of an organization” (Jablin, 1987, p.693).The organizational assimilation process offers two sub-periods when an employee begins to learn the true aspects of the organization. The first period is labelled the Encounter period or the “breaking in” period (Jaylin, 1987, p.694).The encounter period lets the employee become introduced to the organization and all the different aspects the organization has to offer. The employee becomes familiar with the management of the organization, with his/her specific supervisor, and to his/her group and co-workers. The employee learns the requirements of his or her role and what the organization and its members consider to be “normal” patterns of behaviour and thought (Jablin, 1987, p. 695).

The next period of the organizational assimilation phase is the period of Metamorphosis. During the period of metamorphosis the employee “attempts to become an accepted, participating member of the organization by learning new attitudes and behaviours or modify existing ones to be consistent with the organizations expectations” (Jablin, 1987, p. 705).After the metamorphosis period, the employee is considered to be assimilated into the organization. After the assimilation has been completed the employee then either remains an employee of the organization or begins to exit the organization.

The last and final phase of Jablin’s socialization model is the phase or Organizational Exit. During the phase of organizational exit the employee beings to prepare for separation from the organization. This separation from the organization may stem from many different reasons for departure. An employee may choose to exit the organization in search of a better place of employment, the employee might be transferred to another location, or the employee may be ready for retirement. No matter what reasons the employee leaves the organization, that employee will take with them the knowledge and skills with which they have learned from the organization and be able to apply them to another organization.

Jablin’s model of socialization is a cyclical process by which an employee can leave an organization and be assimilated into another (Jablin, 1987, p. 725). The skills, knowledge, and experience that an employee gains for the assimilation process with a given organization can be reapplied to other organizations during the assimilation process. People will experience the process of socialization many times before they are finished working. Because of the numerous jobs held by people in their lifetime, the process of socialization is a constant learning experience with room for growth.

Study Session Summary



In this Study Session, you explained organization socialization and recruitment process. You also discussed recruitment planning and finally, listed and explained phases of organizational socialization.

Summary

Assessment



Assessment

SAQ 4.1 (tests Learning Outcome 4.1)

Define organisation socialisation

SAQ 4.2 (tests Learning Outcome 4.2)

Explain anticipatory socialisation

Study Session 5

Recruitment, Selection and Placement

Introduction

In this study session, you will discuss recruitment, selection and placement. You will also differentiate between employee's selection and placement, using Nigeria as a case study. Finally, you will highlight the various problems of employee's selection and placement in Nigeria.

Learning Outcomes



When you have studied this session, you should be able to:

5.1 define the following:

- Recruitment
- Selection
- Placement

5.1 Recruitment

This is the process of searching for and obtaining sufficient number and quality of potential job seekers or applicants to enable the organization to select the most appropriate people to fill its job needs. It is pertinent to note that the process of recruitment must begin with a clear specification or understanding of manpower needs. It should consider the time that the manpower requirement must be met for instance the Labour market for fresh graduates with less than year experience in the National Youths Service Corps. Labour market simple means an area where employers could easily get the type of workers they need to carry out relevant duties and employees are available to sell their labour or seek employment.

5.1.1 Selection and Placement

Selection is a process of gathering information for the purposes of evaluating and deciding who should be employed or hired for the short and Long-term interests of the individual and the organization. In other words it is the process of getting the best of most qualified candidates from the pool of job seekers adjudged to have potential for job performance.

The importance of selection and placement

1. To fairly and without any element of discrimination evaluate job applicants in view of individual differences and capabilities.
2. To employ qualified and competent hands that can meet the job requirement of the organization

3. To place job applicants in the best interest of the organization and the individual.
4. To help in human resources/manpower planning purposes in organization.
5. To reduce recruitment cost that may arise as a result of poor selection and placement exercises.

ITQ

Question

_____ is the process of searching for and obtaining sufficient number and quality of potential job seekers or applicants to enable the organization to select the most appropriate people to fill its job needs.

- A. Selection
- B. Recruitment

Feedback

The correct option is 'B' recruitment. Selection is a process of gathering information for the purposes of evaluating and deciding who should be employed or hired for the short and Long-term interests of the individual and the organization.

5.1.2 Differences between Recruitment and Selection

Both recruitment and selection are the two phases of the employment process. The differences between the two are:

1. Recruitment is the process of searching the candidates for employment and stimulating them to apply for jobs in the organization WHEREAS selection involves the series of steps by which the candidates are screened for choosing the most suitable persons for vacant posts.
2. The basic purpose of recruitments is to create a talent pool of candidates to enable the selection of best candidates for the organization, by attracting more and more employees to apply in the organization WHEREAS the basic purpose of selection process is to choose the right candidate to fill the various positions in the organization.
3. Recruitment is a positive process i.e. encouraging more and more employees to apply WHEREAS selection is a negative process as it involves rejection of the unsuitable candidates.
4. Recruitment is concerned with tapping the sources of human resources WHEREAS selection is concerned with selecting the most suitable candidate through various interviews and tests.
5. There is no contract of recruitment established in recruitment WHEREAS selection results in a contract of service between the employer and the selected employee.

5.1.3 Problems of Employees Selection and Placement in Nigeria

1. Bias and prejudice.

2. Tribalism and other sentimental consideration.
3. Political balancing or quota system.
4. godfatherism and long legism
5. Halo effects
6. Lack of adequate and proper training of personnel and human resources officers.
7. Lack of adequate funds.

Study Session Summary



Summary

In this study session, you discussed recruitment, selection and placement. You also examined between employee's selection and placement in Nigeria. Finally, you examined the various problems of employee's selection and placement in Nigeria.

Assessment



Assessment

SAQ 5.1 (tests Learning Outcome 5.1)

Define recruitment and selection

Study Session 6

Corporate Social Responsibility

Introduction

In this study session, you will discuss corporate social responsibility. This concept describes the responsibilities of an organisation to the environment in which it operates. Lastly, you will examine why it is necessary for organisations to engage in corporate social responsibilities.

Learning Outcomes



Outcomes

When you have studied this session, you should be able to:

- 6.1 describe corporate social responsibility

6.1 Concept of Corporate Social Responsibility

The term "corporate social responsibility" came into common use in the late 1960s and early 1970s after many multinational corporations formed the term stakeholder, meaning those on whom an organization's activities have an impact. It was used to describe corporate owners beyond shareholders as a result of an influential book by R. Edward Freeman, *Strategic management: a stakeholder approach* in 1984. Proponents argue that corporations make more long term profits by operating with a perspective, while critics argue that CSR distracts from the economic role of businesses. Others argue CSR is merely window-dressing, or an attempt to pre-empt the role of governments as a watchdog over powerful multinational corporations.

Corporate social responsibility (CSR, also called corporate conscience, corporate citizenship, social performance, or sustainable responsible business/ Responsible Business) is a form of corporate self-regulation integrated into a business model. CSR policy functions as a built-in, self-regulating mechanism whereby a business monitors and ensures its active compliance with the spirit of the law, ethical standards, and international norms. The goal of CSR is to embrace responsibility for the company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere who may also be considered as stakeholders.

CSR is titled to aid an organization's mission as well as a guide to what the company stands for and will uphold to its consumers. Development business ethics is one of the forms of applied ethics that examines ethical principles and moral or ethical problems that can arise in a business environment. ISO 26000 is the recognized international standard for CSR. Public sector organizations (the United Nations for example) adhere to the triple bottom line (TBL). It is widely accepted that CSR adheres to similar principles but with no formal act of legislation. The UN has developed the Principles for Responsible Investment as guidelines for investing entities. Corporate social responsibility is a concept with a growing currency around the globe. CSR is a concept that frequently overlaps with similar approaches such as corporate sustainability, corporate sustainable development, corporate responsibility, and corporate citizenship. While CSR does not have a universal definition, many see it as the private sector's way of integrating the economic, social, and environmental imperatives of their activities. As such, CSR closely resembles the business pursuit of sustainable development and the triple bottom line. In addition to integration into corporate structures and processes, CSR also frequently involves creating innovative and proactive solutions to societal and environmental challenges, as well as collaborating with both internal and external stakeholders to improve CSR performance.

ITQ

Question (True/False)

- Corporate social responsibility is a means by which an organisation takes from the community in which they operate.

Feedback

- The correct option is “false”. Corporate social responsibilities does not allow organisation take from the community. Instead, it is a means by which organisations give back to the communities in which they operate.

Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large.

The same report gave some evidence of the different perceptions of what this should mean from a number of different societies across the world. CSR is about capacity building for sustainable livelihoods. It respects cultural differences and finds the business opportunities in building the skills of employees, the community and the government from Ghana, through to CSR is about business giving back to society from the Philippines.

Traditionally in the United States, CSR has been defined much more in terms of a philanthropic model. Companies make profits, unhindered except by fulfilling their duty to pay taxes. Then they donate a certain share of the profits to charitable causes. It is seen as tainting the act for the company to receive any benefit from the giving.

1. Social responsibility becomes an integral part of the wealth creation process - which if managed properly should enhance the competitiveness of business and maximise the value of wealth creation to society.
2. When times get hard, there is the incentive to practice CSR more and better - if it is a philanthropic exercise which is peripheral to the main business, it will always be the first thing to go when push comes to shove.

But as with any process based on the collective activities of communities of human beings (as companies are) there is no 'one size fits all'. In different countries, there will be different priorities, and values that will shape how business act. And even the observations above are changing over time. The US has growing numbers of people looking towards core business issues.

For instance, the CSR definition used by Business for Social Responsibility is: Operating a business in a manner that meets or exceeds the ethical, legal, commercial and public expectations that society has of business. On the other hand, the European Commission hedges its bets with two definitions wrapped into one:

A concept whereby companies decide voluntarily to contribute to a better society and a cleaner environment; a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis.

6.1.1 Reasons for CSR

The reason for pooling back to an environment where an organisation is found includes the following:

1. To appreciate the community that the organisation found itself
2. To guarantee their security during community crises
3. As a way of advertisement.
4. As a way of fulfilling contractual agreement with the entities involved in enabling a business environment Post-test?

Study Session Summary



Summary

In this study session, you examined how organisations give back to the communities in which they operate. This giving back to the society, you discovered, is referred to as corporate social responsibility. Lastly, you examined why it is important for organisations to engage in this act of giving back to the society.

Assessment



Assessment

SAQ 6.1 (tests Learning Outcome 6.1)

List three reasons for corporate social responsibility (CSR)

Study Session 7

Motivation

Introduction

In this study session, you will discuss the nature and scope of motivation. Knowing this will enable you to examine some of the theories of motivation, especially the Maslow's need hierarchy. After this, you will describe how you can apply Maslow's needs hierarchy to business management.

Learning Outcomes



Outcomes

When you have studied this session, you should be able to:

- 7.1 define motivation
- 7.2 discuss theories of motivation

7.1 What is Motivation?

Motivation is concerned with a question: Why do people “do what they do?” Whether we realize it or not, all of us are “naïve scientists” who often attempt to figure out the motives behind the behaviour of others. We may read a newspaper and wonder why a person committed a violent crime, or perhaps why an athlete maintained a consistently high level of performance during his or her career. Within organizational psychology, the study of employee motivation represents one of the most important topics in the discipline, and there are several reasons for this. First, motivation is a key to understanding many forms of behaviour in organizations. Understanding what motivates employees’ helps us to understand the dynamics underlying such important behaviours as job performance, absenteeism, turnover, and even counterproductive behaviours.

Motivation is an internal set of processes—what we call a hypothetical construct. It is complex in that it involves multiple processes and multiple behaviours. It is personal; different people have different needs and different things that they think are important. Furthermore, it is goal directed. Goals (and goal discrepancies) are seen as major goals to attention and action, whereas goal difficulty and importance are associated with motivational intensity. Goals are clearly the major psychological mechanism associated with motivation. It is the psychological forces that determine the direction of a person’s behaviour

in an organization, a person's level of effort, and a person's level of persistence.

ITQ

Question(True/False)

- Motivation is concerned with the question of “why do people “do what they do?”

Feedback

- The correct option is “true”. Motivation seeks to understand the reason why people are engaging in whatever they are doing. Motivation can be regarded as the expected outcome of an activity which is the reason for engaging in such activity.

7.2 Theories of Motivation

7.2.1 Needs; Hierarchy Theory of Motivation (Abraham Maslow)

Abraham Maslow was dubbed as the Father of Humanist Psychology. He based his theory on the idea that individuals work to satisfy human needs, such as food and complex psychological needs such as self-esteem. He coined the term Hierarchy of Needs to account for the roots of human motivation.

According to Maslow, a fulfilled need did little to motivate an employee. For example, a person who has sufficient food to eat cannot be enticed to do something for a reward of food. In contrast, a person with an unfulfilled need can be persuaded to work to satisfy that need. Thus, a hungry person might work hard for food. Maslow called this the Deficit Principle.

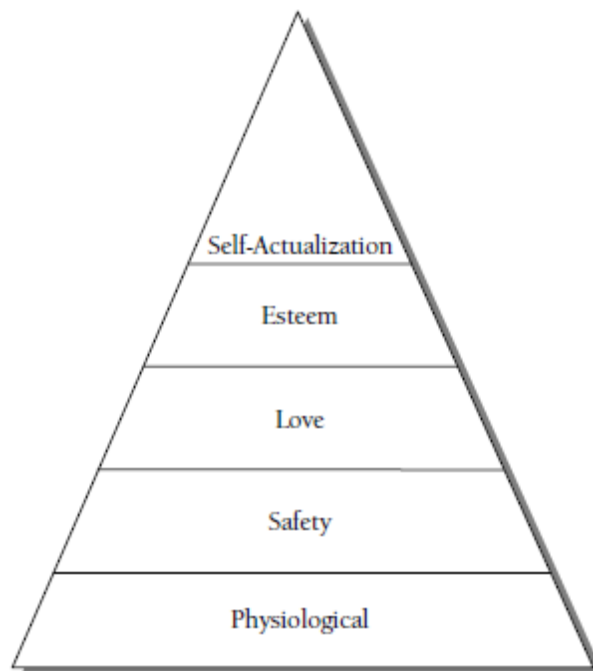
Deficit Principle

- i It is a person's unsatisfied needs that influence his behaviour
- ii The unsatisfied need becomes a focal motivator.
- iii The satisfied need no longer influences an individual's behaviour.
- iv Managers should be alert for unmet needs and then create rewards to satisfy them.

Progression Principle

- i Higher order needs are not active motivators until lower order needs are fulfilled.
- ii Unfulfilled lower order needs take precedence over higher level needs. For example, for a person who is hungry, his need for food will far outweigh his need for self-respect.

Fig 7.1 Maslow's Need Hierarchy



Physiological Needs

These needs are required to sustain life such as: air, water, food, and sleep. According to this theory, if these needs are not satisfied, then an individual will surely be motivated to satisfy them. Higher order needs will not be recognized unless one satisfies the needs that are basic to existence.

Safety and Security

Once physiological needs are met, one's attention turns to safety and security in order to be free from the threat of physical and emotional harm. Such needs may be fulfilled by: living in a safe area, medical insurance, job security, and financial reserves.

Social Needs

Once lower level needs are met, higher level motivators awaken. The first of which are social needs. Social needs are those related to interaction with others and may include: friendship, belonging to a group, and giving and receiving love.

Esteem Needs

After a person feels that he or she belongs, the urge to attain a degree of importance emerges. Esteem needs can be categorized as external motivators and internal motivators. Internally motivating esteem needs are those such as self-esteem, accomplishment, and self-respect. External esteem needs are those such as reputation, social status, and recognition.

Self-Actualization

This is the summit of Maslow's motivation theory. It is about the quest for reaching one's full potential as a person. Self-actualized people tend to have motivators such as: truth, justice, wisdom, and meaning. They are

said to have frequent occurrences of peak experiences, which are energized moments of profound happiness and harmony. According to Maslow, only a small percentage of the population reaches the level of self-actualization.

ITQ

Question

- Maslow's Need Hierarchy includes self-actualisation, esteem, love, _____ and _____.

Feedback

- Maslow's need Hierarchy includes self-actualisation, esteem, love, safety and physiological needs.

7.2.2 Application of Maslow's Needs Hierarchy – Business Management Implications

If Maslow's theory holds, there are some important implications for management. Managers have varied opportunities to motivate employees through management style, job designs, company events, and compensation packages. To pattern after Maslow's theory, management can do the following:

- i Physiological Motivation: Provide ample breaks for lunch and recuperation. Devise a salary scheme that would allow your workers to buy life's essentials.
- ii Safety Needs: Employees cannot reach maximum effectiveness or efficiency when they feel the need to constantly check their backs and scan their surroundings for fear of potential threats. Physical threats in the work environment can be alleviated by security guards, cameras, and responsive management personnel. Managers should also provide relative job security, retirement benefits, and the like.
- iii Social Needs: Generate a feeling of acceptance, belonging, and community by reinforcing team dynamics, planning team-based projects and social events.
- iv Esteem Motivators: Recognize achievements, assign important projects, and provide status to make employees feel valued and appreciated.
- v Self-Actualization: Offer challenging and meaningful work assignments which enable innovation, creativity, and progress according to long-term goals. Provide opportunities that would allow your employees to reach their full career potential.

Remember, everyone is not motivated by the same needs. At various points in their lives and careers, various employees will be motivated by completely different needs. It is imperative that you recognize each employee's needs that are currently being pursued.

7.2.3 Limitations and Criticism to Maslow's Theory

Though Maslow's hierarchy makes sense intuitively, little evidence supports its strict hierarchy. Actually, recent research challenges the order imposed by Maslow's pyramid. As an example, in some cultures, social needs are regarded higher than any others. Further, Maslow's hierarchy fails to explain the "starving artist" scenario, in which the need for aesthetic supersedes physical needs. Additionally, little evidence suggests that people satisfy exclusively one motivating need at a time.

While scientific support fails to reinforce Maslow's hierarchy, his theory is very popular, being the introductory motivation theory for many students and managers, worldwide.

7.2.4 ERG Theory

The most direct descendant of Maslow's Need Hierarchy was Alderfer's (1969) ERG Theory of motivation. The acronym ERG stands for "existence," "relatedness," and "growth." Essentially, Alderfer collapsed Maslow's five need levels into three. Existence encompasses both the physiological and the safety/security needs from Maslow's theory. Relatedness corresponds to the social/belongingness level in Maslow's theory. Growth represents the esteem and self-actualization levels from Maslow's theory.

ERG theory also deviates from the Need Hierarchy in other important ways. Unlike Maslow's theory, ERG Theory allows for the possibility that needs do not have to operate in a strict hierarchical fashion (Alderfer, 1969). For example, an artist may be trying to scratch out a living and, at the same time, to achieve his or her artistic potential. ERG also allows for the possibility that people may *regress* if their needs at one level are not satisfied. Suppose an artist fails to achieve his or her potential.

Alderfer distinguishes three categories of human needs that influence worker's behaviour. These are existence, relatedness and growth.

- i Existence Needs: physiological and safety needs such as hunger, thirst and sex.
- ii Relatedness Needs: social and external esteem involvement with family, friends, co-workers and employers.
- iii Growth Needs: internal esteem and self-actualization the desire to be creative, productive and to complete meaningful tasks.

The ERG theory does not believe in levels of needs. A lower level need does not have to be gratified. This theory accounts for a variety of individual differences, which would cause a worker to satisfy their need at hand, whether or not a previous need has been satisfied. Hence, needs in the different ERG areas can be felt simultaneously.

ERG Theory recognizes that the importance of the three categories may vary for each individual. Managers must recognize that an employee has multiple needs that must be satisfied simultaneously. According to the ERG theory, if you focus exclusively on one need at a time, this will not effectively motivate.

The Frustration-Regression Principle

In addition, the ERG theory acknowledges that if a higher level need remains unfulfilled, the person may regress towards lower level needs, which appear easier to satisfy. This is known as: the frustration-regression principle.

The two major motivational premises that the ERG theory gives are: the more lower-level needs are gratified, the more high-level need satisfaction is desired; the less high-level needs are gratified, the more lower-level need satisfaction is desired.

Applying Alderfer's ERG Theory – Business Management Implications

According to Alderfer, the frustration-regression principle has an impact on workplace motivation. For example, if growth opportunities are not offered to the employees, they may regress towards relatedness needs, and socialize more with co-workers. If management can recognize these conditions early, steps can be taken to satisfy the frustrated needs until the employees are able to pursue growth again.

7.2.5 Motivation-Hygiene Theory

From a historical perspective, the first job-based theory to appear on the scene was Herzberg's **Motivation-Hygiene Theory** (Herzberg, 1968). The basic premise behind Herzberg's theory, as with all job-based theories, was that the primary source of motivation in the workplace was the content of people's jobs. At the time that Motivation-Hygiene Theory was developed, most organizations were highly influenced by Scientific Management. Recall that the primary method of motivation in Scientific Management was through compensation and financial incentives. Herzberg, and others, was of the opinion that financial incentives had the power to "motivate" people in the sense that they kept them on the job and perhaps prevented them from complaining.

To truly motivate people, according to Herzberg, the content of the jobs that people perform was the key. Herzberg proposed that the work environment could be divided into two general categories. The first of these, he labelled **hygiene factors** and included were aspects of the work environment, such as pay, fringe benefits, relations with co-workers, and essentially everything else that is distinct from the content of an employee's work. Herzberg used the term "hygiene factors" because these factors are necessary to keep employees from being dissatisfied but do not have the power to truly motivate them. To use a health-related analogy, maintaining proper dental hygiene does not make a person's teeth any *better*, but it *prevents* problems such as tooth decay and gum disease.

7.2.6 Applying Herzberg's Two Factor Theory – Business Management Implications

The most important part of this theory of motivation is that the main motivating factors are not in the environment but in the intrinsic value and satisfaction gained from the job itself. It follows therefore that to motivate an individual, a job itself must be challenging, have scope for

enrichment and be of interest to the jobholder. From this concept, Herzberg shaped his ideas about Job Enrichment, Job Enlargement, and Job Rotation.

As early as 1950 in the USA job rotation and job enlargement were being both advocated and tested as means for overcoming boredom at work.

For example, IBM introduced changes to machine operators' jobs to include machine setting and inspection. In addition they introduced other wide-ranging changes in both the production system and the role of foremen and supervisors.

It is less than clear just how successful changes of this type have been in practice. Often, workers expect higher payment to compensate for learning these other jobs and for agreeing to changes in working practices. The new jobs are often only a marginal improvement in terms of the degree of repetition, the skill demands and the level of responsibility; as a result workers have not always responded positively to such change. Job enlargement schemes may not be entirely feasible in some circumstances.

The concepts of both job rotation and enlargement do not have their basis in any psychological theory. However, the next generation of attempts to redesign jobs developed from the researches of Herzberg.

From his theory Herzberg, itemized a set of principles for the enrichment of jobs:

Removing some controls while retaining accountability; increasing personal accountability for work; assigning each worker a complete unit of work with a clear start and end point; granting additional authority and freedom to workers; making periodic reports directly available to workers rather than to supervisors only; the introduction of new and more difficult tasks into the job; encouraging the development of expertise by assigning individuals to specialized tasks.

Herzberg's other major contribution to the development of ideas in the area of job design was his checklist for implementation. This is a prescription for those seeking success in the enrichment of jobs: select those jobs where technical changes are possible without major expense; job satisfaction is low; performance improvement is likely with increases in motivation; hygiene is expensive; examine the jobs selected with the conviction that changes can be introduced; 'green light' or 'brainstorm' a list of possible changes; screen the list (red lighting) for hygiene suggestions and retain only ideas classed as motivators; remove the generalities from the list retaining only specific motivators; avoid employee involvement in the design process; set up a controlled experiment to measure the effects of the changes; anticipate an early decline in performance as workers get used to their new jobs.

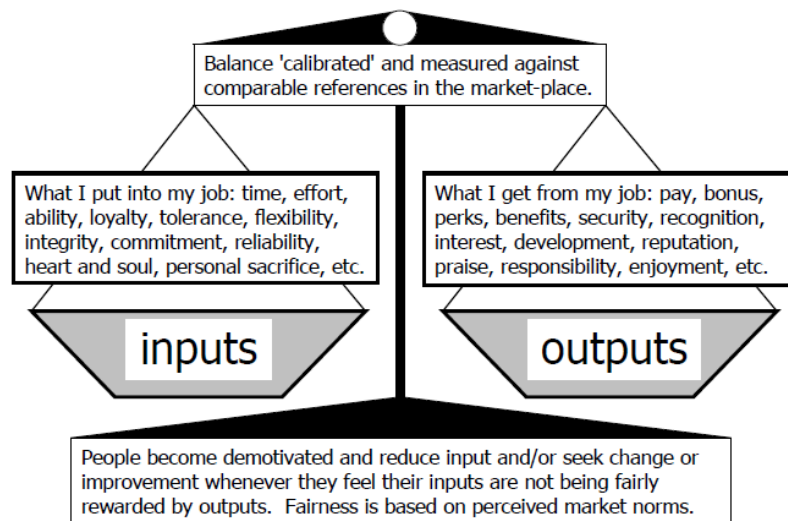
Job enrichment, then, aims to create greater opportunities for individual achievement and recognition by expanding the task to increase not only variety but also responsibility and accountability. This can also include greater worker autonomy, increased task identity and greater direct contact with workers performing servicing tasks.

7.2.7 Herzberg's Theory – Limitations and Criticism

The focus of the approach is the individual job and only limited consideration is given to the wider context in which the job is carried out, particularly social groupings.

Equity Theory

Adams' Equity Theory - job motivation



According to Homans (1958), humans tend to view social interactions as being much like economic transactions. That is, we tend to view relationships with others, as well as transactions with institutions (e.g., work government), in terms of what we give and what we receive. Based on this notion, **social exchange theory** was developed to explain how we weigh and balance what we give and receive from social exchanges. Equity Theory is a type of social exchange theory that focuses on how people determine the fairness of social exchanges (Adams, 1965). Although Equity Theory can really be applied to any form of social exchange, in describing this theory we focus on the work context. A basic assumption of Equity Theory is that employees bring to the workplace what they perceive to be a number of *inputs*. Given that Equity Theory focuses on cognition, an input is essentially anything an employee decides it is. Job-relevant inputs would include things such as a person's academic credentials, years of prior experience, and job-related skills, as well as the level of effort given to his or her employer.

The other important component of Equity Theory is *outcomes*. Outcomes represent those things that an employee feels he or she is receiving from the employment relationship. The most tangible of these is monetary compensation, but outcomes may also include intangibles such as praise from one's supervisor, feelings of accomplishment, or even feelings of camaraderie among one's co-workers. Like inputs, outcomes are cognitive representations, and thus may differ from employee to employee.

Study Session Summary



Summary

In this study session, you discussed the nature and scope of motivation. You also examined some theories of motivation, with emphasis on Maslow's need hierarchy. Finally, you described how Maslow's needs hierarchy can be applied to business management.

Assessment



Assessment

SAQ 7.1 (tests Learning Outcome 7.1)

Why is motivation necessary?

SAQ 7.2 (tests Learning Outcome 7.2)

List Maslow's need hierarchy

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Reading

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Study Session 8

Job Satisfaction

Introduction

In this study session, you will describe factors that enable an employee experience job satisfaction in an organisation. Likewise, you shall examine some theories that focus on job satisfaction. Furthermore, you shall discuss job characteristic model and also examine how to measure job satisfaction. Lastly, you shall describe the relationship and practical implications of an employee not being satisfied with the job he or she is doing.

Learning Outcomes



Outcomes

When you have studied this session, you should be able to

- 8.1 describe job satisfaction
- 8.2 examine factors influencing job satisfaction

8.1 Concept of Job Satisfaction

Job satisfaction can simply be defined as the feelings people have about their jobs. It has been specifically defined as a pleasurable (or unpleasurable) emotional state resulting from the appraisal of one's job, an affective reaction to one's job, and an attitude towards one's job. These definitions suggest that job satisfaction takes into account feelings, beliefs, and behaviours.

8.1.1 History of Job Satisfaction

One of the biggest preludes to the study of job satisfaction was the Hawthorne studies. These studies (1924–1933), primarily credited to Elton Mayo of the Harvard Business School, sought to find the effects of various conditions (most notably illumination) on workers' productivity. These studies ultimately showed that novel changes in work conditions temporarily increase productivity (called the Hawthorne Effect). It was later found that this increase resulted, not from the new conditions, but from the knowledge of being observed. This finding provided strong evidence that people work for purposes other than pay, which paved the way for researchers to investigate other factors in job satisfaction.

ITQ**Question**

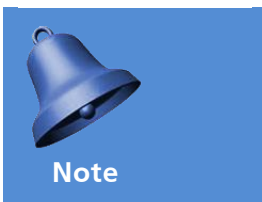
- _____ is described as a pleasurable (or unpleasurable) emotional state resulting from the appraisal of one's job.

Feedback

- A pleasurable (or unpleasurable) emotional state resulting from the appraisal of one's job is referred to as Job satisfaction.

Scientific management (aka Taylorism) also had a significant impact on the study of job satisfaction. Frederick Winslow Taylor's 1911 book, *Principles of Scientific Management*, argued that there was a single best way to perform any given work task. This book contributed to a change in industrial production philosophies, causing a shift from skilled labour and piecework towards the more modern of assembly lines and hourly wages. The initial use of scientific management by industries greatly increased productivity because workers were forced to work at a faster pace. However, workers became exhausted and dissatisfied, thus leaving researchers with new questions to answer regarding job satisfaction. It should also be noted that the work of W.L. Bryan, Walter Dill Scott, and Hugo Munsterberg set the tone for Taylor's work.

Some argue that Maslow's hierarchy of needs theory, a motivation theory, laid the foundation for job satisfaction theory. This theory explains that people seek to satisfy five specific needs in life – physiological needs, safety needs, social needs, self-esteem needs, and self-actualization. This model served as a good basis from which early researchers could develop job satisfaction theories.

**Note**

Job satisfaction can be positive (pleasurable) or negative (unpleasurable)

8.1.2 Theories of Job Satisfaction

Affect Theory

Edwin A. Locke's Range of Affect Theory (1976) is arguably the most famous job satisfaction model. The main premise of this theory is that satisfaction is determined by a discrepancy between what one wants in a job and what one has in a job. Further, the theory states that how much one values a given facet of work (e.g. the degree of autonomy in a position) moderates how satisfied/dissatisfied one becomes when expectations are/aren't met. When a person values a particular facet of a job, his satisfaction is more greatly impacted both positively (when expectations are met) and negatively (when expectations are not met), compared to one who doesn't value that facet. To illustrate, if Employee A values autonomy in the workplace and Employee B is indifferent about autonomy, then Employee A would be more satisfied in a position that

offers a high degree of autonomy and less satisfied in a position with little or no autonomy compared to Employee B. This theory also states that too much of a particular facet will produce stronger feelings of dissatisfaction the more a worker values that facet.

Dispositional Theory

Another well-known job satisfaction theory is the Dispositional Theory. It is a very general theory that suggests that people have innate dispositions that cause them to have tendencies toward a certain level of satisfaction, regardless of one's job. This approach became a notable explanation of job satisfaction in light of evidence that job satisfaction tends to be stable over time and across careers and jobs. Research also indicates that identical twins have similar levels of job satisfaction.

A significant model that narrowed the scope of the Dispositional Theory was the Core Self-evaluations Model, proposed by Timothy A. Judge, Edwin A. Locke, and Cathy C. Durham in 1997. Judge et al. argued that there are four Core Self-evaluations that determine one's disposition towards job satisfaction: self-esteem, general self-efficacy, locus of control, and neuroticism. This model states that higher levels of self-esteem (the value one places on his/her self) and general self-efficacy (the belief in one's own competence) lead to higher work satisfaction. Having an internal locus of control (believing one has control over her/his own life as opposed to outside forces having control) leads to higher job satisfaction, finally, lower levels of neuroticism lead to higher job satisfaction.

Opponent Process Theory

According to opponent process theory, emotional events, such as criticisms or rewards, elicits two sets of processes. Primary processes give way to emotions that are steady with the event in question. Events that seem negative in manner will give rise to the feelings of stress or anxiety. Events that are positive give rise to the feeling of content or relaxation. The other process is the opponent process, which induces feelings that contradict the feelings in the primary processes. Events that are negative give rise to feelings of relaxation while events that are positive give rise to feelings of anxiety. A variety of explanations have been suggested to explain the uniformity of mood or satisfaction. This theory shows that if you try to enhance the mood of individual it will more likely fail in doing so. The opponent process theory was formulated to explain these patterns of observations.

ITQ

Question

_____ shows how a person views fairness in regard to social relationships

- A. Equity Theory
- B. Discrepancy Theory

Feedback

The correct option is 'A' Equity theory. Discrepancy theory is a very general theory that suggested that people have innate dispositions that cause them to have tendencies toward a certain level of satisfaction, regardless of one's job.

Equity Theory

Equity Theory shows how a person views fairness in regard to social relationships. During a social exchange, a person identifies the amount of input gained from a relationship compared to the output, as well as how much effort another person's puts forth. Equity Theory suggests that if an individual thinks there is an inequality between two social groups or individuals, the person is likely to be distressed because the ratio between the input and the output are not equal.

For example, consider two employees who work the same job and receive the same benefits. If one individual gets a pay raise for doing the same or less work than the other, then the less benefited individual will become distressed in his workplace. If, on the other hand, one individual gets a pay raise and new responsibilities, then the feeling of inequality is reduced.

Discrepancy Theory

The concept of self-discrepancy theory explains the ultimate source of anxiety and dejection. An individual, who has not fulfilled his responsibility feels the sense of anxiety and regret for not performing well, they will also feel dejection due to not being able to achieve their hopes and aspirations. According to this theory, all individuals will learn what their obligations and responsibilities for a particular function, over a time period, and if they fail to fulfil those obligations then they are punished. Over time, these duties and obligations consolidate to form an abstracted set of principles, designated as a self-guide. Agitation and anxiety are the main responses when an individual fails to achieve the obligation or responsibility. This theory also explains that if achievement of the obligations is obtained then the reward can be praise, approval, or love. These achievements and aspirations also form an abstracted set of principles, referred to as the ideal self-guide. When the individual fails to obtain these rewards, they begin to have feelings of dejection, disappointment, or even depression.

8.1.3 Two-Factor Theory (Motivator-Hygiene Theory)

Frederick Herzberg's two factor theory (also known as Motivator Hygiene Theory) attempts to explain satisfaction and motivation in the workplace. This theory states that satisfaction and dissatisfaction are driven by different factors – motivation and hygiene factors, respectively. An employee's motivation to work is continually related to job satisfaction of a subordinate. Motivation can be seen as an inner force that drives individuals to attain personal and organizational goals (Hoskinson, Porter, & Wrench, p. 133). Motivating factors are those aspects of the job that make people want to perform, and provide people with satisfaction, for example achievement in work, recognition, promotion opportunities. These motivating factors are considered to be intrinsic to the job, or the work carried out. Hygiene factors include

aspects of the working environment such as pay, company policies, supervisory practices, and other working conditions.

While Herzberg's model has stimulated much research, researchers have been unable to reliably empirically prove the model, with Hackman & Oldham suggesting that Herzberg's original formulation of the model may have been a methodological artefact. Furthermore, the theory does not consider individual differences, conversely predicting all employees will react in an identical manner to changes in motivating/hygiene factors. Finally, the model has been criticized in that it does not specify how motivating/hygiene factors are to be measured.

8.1.4 Job Characteristics Model

Hackman & Oldham proposed the Job Characteristics Model, which is widely used as a framework to study how particular job characteristics impact on job outcomes, including job satisfaction. The model states that there are five core job characteristics (skill variety, task identity, task significance, autonomy, and feedback) which impact three critical psychological states (experienced meaningfulness, experienced responsibility for outcomes, and knowledge of the actual results), in turn influencing work outcomes (job satisfaction, absenteeism, work motivation, etc.). The five core job characteristics can be combined to form a motivating potential score (MPS) for a job, which can be used as an index of how likely a job is to affect an employee's attitudes and behaviours. A meta-analysis of studies that assess the framework of the model provides some support for the validity of the JCM.

8.2 Factors that Influence Job Satisfaction

8.2.1 Environmental Factors (Communication Overload and Communication under Load)

One of the most important aspects of an individual's work in a modern organization concerns the management of communication demands that he or she encounters on the job. Demands can be characterized as a communication load, which refers to "the rate and complexity of communication inputs an individual must process in a particular time frame." Individuals in an organization can experience communication over-load and communication under-load which can affect their level of job satisfaction. Communication overload can occur when "an individual receives too many messages in a short period of time which can result in unprocessed information or when an individual faces more complex messages that are more difficult to process." Due to this process, "given an individual's style of work and motivation to complete a task, when more inputs exist than outputs, the individual perceives a condition of overload which can be positively or negatively related to job satisfaction. In comparison, communication under load can occur when messages or inputs are sent below the individual's ability to process them." According to the ideas of communication over-load and under-load, if an individual does not receive enough input on the job or is unsuccessful in processing these inputs, the individual is more likely to become dissatisfied,

aggravated, and unhappy with their work which leads to a low level of job satisfaction.

8.2.2 Individual Factors (Emotion)

Mood and emotions form the affective element of job satisfaction. Moods tend to be longer lasting but often weaker states of uncertain origin, while emotions are often more intense, short-lived and have a clear object or cause.

Some research suggests moods are related to overall job satisfaction. Positive and negative emotions were also found to be significantly related to overall job satisfaction.

Frequency of experiencing net positive emotion will be a better predictor of overall job satisfaction than will intensity of positive emotion when it is experienced.

Emotion work (or emotion management) refers to various types of efforts to manage emotional states and displays. Emotion management includes all of the conscious and unconscious efforts to increase, maintain, or decrease one or more components of an emotion. Although early studies of the consequences of emotional work emphasized its harmful effects on workers, studies of workers in a variety of occupations suggest that the consequences of emotional work are not uniformly negative. It was found that suppression of unpleasant emotions decreases job satisfaction and the amplification of pleasant emotions increases job satisfaction. The understanding of how emotion regulation relates to job satisfaction concerns two models:

1. **Emotional dissonance.** Emotional dissonance is a state of discrepancy between public displays of emotions and internal experiences of emotions. That often follows the process of emotion regulation. Emotional dissonance is associated with high emotional exhaustion, low organizational commitment, and low job satisfaction.
2. **Social interaction model.** Taking the social interaction perspective, workers' emotion regulation might beget responses from others during interpersonal encounters that subsequently impact their own job satisfaction. For example: The accumulation of favourable responses to displays of pleasant emotions might positively affect job satisfaction.

8.2.3 Measuring Job Satisfaction

There are many methods for measuring job satisfaction. By far, the most common method for collecting data regarding job satisfaction is the Likert scale (named after Rensis Likert). Other less common methods for gauging job satisfaction include: Yes/No questions, True/False questions, point systems, checklists, and forced choice answers. This data are sometimes collected using an Enterprise Feedback Management (EFM) system.

The Job Descriptive Index (JDI) is a specific questionnaire of job satisfaction that has been widely used. It measures one's satisfaction in

five facets: pay, promotions and promotion opportunities, coworkers, supervision, and the work itself. The scale is simple, participants answer either yes, no, or can't decide (indicated by '?') in response to whether given statements accurately describe one's job.

A related scale is the Job in general index, which asks employees how satisfying their job is in a broad overall sense. In certain situations, it can be more useful than the JDI because rather than focusing on individual facets, it asks about work satisfaction in general.

Other job satisfaction questionnaires include: the Minnesota Satisfaction Questionnaire (MSQ), the Job Satisfaction Survey (JSS), and the Faces Scale. The MSQ measures job satisfaction in 20 facets and has a long form with 100 questions (five items from each facet) and a short form with 20 questions (one item from each facet). The JSS is a 36 item questionnaire that measures nine facets of job satisfaction. Finally, the Faces Scale of job satisfaction, one of the first scales used widely, measured overall job satisfaction with just one item which participants respond to by choosing a face.

8.2.4 Relationships and Practical Implications

Job Satisfaction can be indicative of work behaviors such as organizational citizenship, and withdrawal behaviors such as absenteeism, and turnover. Further, job satisfaction can partially mediate the relationship of personality variables and deviant work behaviors.

One common research finding is that job satisfaction is correlated with life satisfaction. This correlation is reciprocal, meaning people who are satisfied with life tend to be satisfied with their job and people who are satisfied with their job tend to be satisfied with life. However, some research has found that job satisfaction is not significantly related to life satisfaction when other variables such as non-work satisfaction and core self-evaluations are taken into account.

An important finding for organizations to note is that job satisfaction has a rather tenuous correlation to productivity on the job. This is a vital piece of information to researchers and businesses, as the idea that satisfaction and job performance are directly related to one another is often cited in the media and in some non-academic management literature. A recent meta-analysis found surprisingly low correlations between job satisfaction and performance. Further, the meta-analysis found that the relationship between satisfaction and performance can be moderated by job complexity, such that for high-complexity jobs the correlation between satisfaction and performance is higher than for jobs of low to moderate complexity. Additionally, one longitudinal study indicated that among work attitudes, job satisfaction is a strong predictor of absenteeism, suggesting that increasing job satisfaction and organizational commitment are potentially good strategies for reducing absenteeism and turnover intentions. Recent research has also shown that intention to quit alone can have negative effects on performance, organizational deviance, and organizational citizenship behaviors. In short, the relationship of satisfaction to productivity is not as straightforward as often assumed and can be influenced by a number of different work-related constructs, and the notion that "a happy worker is a

productive worker" should not be the foundation of organizational decision-making. For example, employee personality may even be more important than job satisfaction in regards to performance.

Study Session Summary



Summary

In this Study Session, you described job satisfaction. You discussed the history and different theories of job satisfaction. In conclusion, you examined the factors that influence job satisfaction.

Assessment



Assessment

SAQ 8.1 (tests Learning Outcome 8.1)

Define job satisfaction

SAQ 8.4 (tests Learning Outcome 8.5)

Highlight Factors that Influence Job Satisfaction

SAQ 8.5 (tests Learning Outcome 8.6 and 8.7)

Describe how to measure job satisfaction

Study Session 9

Communication and Negotiation

Introduction

In this study session, you will discuss communication and negotiation. Also, you shall describe the different types of approaches and communications that exists within an organisation. Lastly, you shall be looking at the importance of negotiation in a business environment.

Learning Outcomes



Outcomes

When you have studied this session, you should be able to:

9.1 define the following:

- communication
- negotiation

9.2 discuss the importance of communication within an organisation

9.1 Defining Communication and Negotiation

Negotiation is nothing but a discussion among individuals to find out an alternative which takes into account the interest of all and nobody is at loss. In a win- win negotiation people try their level best to come to a solution where everyone is benefited and nobody is at loss. Negotiation is essential in corporate to avoid conflicts and improve the relations among the employees. While Organizational communication is a subfield of the larger discipline of communication studies, Organizational communication, as a field, is the consideration, analysis, and criticism of the role of communication in organizational contexts

9.1.1 Communication Approaches in an Organization

Informal and Formal Communication are used in an organization.

Informal communication, generally associated with interpersonal, horizontal communication, was primarily seen as a potential hindrance to effective organizational performance. This is no longer the case. Informal communication has become more important to ensuring the effective conduct of work in modern organizations. Top-down approach: This is also known as downward communication. This approach is used by the Top Level Management to communicate to the lower levels. This is used to implement policies, guidelines, etc. In this type of organizational

communication, distortion of the actual information occurs. This could be made effective by feedbacks.

ITQ

Question

- O _____ is a discussion among individuals to find out an alternative which takes into account the interest of all and nobody is at loss.

Feedback

- A discussion among individuals to find out an alternative which takes into account the interest of all and nobody is at loss is referred to as Negotiation.

9.1.2 Types of Communication in an Organization

Generally in any organization, there are five ways in which communication can move around.

1. **Chain of Command:** E.g. Directives from senior management to junior executives.
2. **Written Word:** E.g. Circulars, memos, manuals, handbooks, bulletins, newsletters, publications, etc.
3. **Representative System:** E.g. Trade union representation, meetings, discussions
4. **Informal Work Groups:** E.g. Informal leaders, group norms, discussions
5. **Gossip:** Get together (both inside and outside of work, recreation clubs, social gatherings).

An Effective Communication is Directly Proportional to an Effective Negotiation

The better the communication is the better the negotiation would be. Discussion does not mean fighting and shouting, instead it is simply the exchange of one's ideas, thoughts and opinions with each other. One needs to have excellent communication skills for a healthy and an effective discussion. Communication is an art and one should master it to excel in all kinds of negotiation. The other person will never come to know about your thoughts and ideas unless and until you share it with them. One can't see your grey matter. Lot depends on how you speak.

One should very sensibly convert his thoughts into a speech by carefully selecting relevant words. Be careful about your words. One should never use derogatory sentences or foul words in his speech. Understand the power of speech. The way you present your thought matters a lot. Don't speak just for the sake of it. Haphazard thoughts and abstract ideas only lead to confusions. One must speak clearly what he expects from the other person. Don't eat your words and try to confuse others. Your thoughts and ideas must be expressed clearly for others to understand well. Be crisp and precise in your speech.

Bose wanted to purchase a pen for himself. He was not very convinced with the price the shopkeeper quoted and found it a little too high. Bose wanted him to reduce the price of the pen. Unfortunately Bose lacked good communication skills and whatever he spoke only confused the shopkeeper. He kept on cribbing and pleading which further irritated the shopkeeper and he refused to further entertain Bose.

What was Bose's mistake?

Bose wanted to buy the pen, but his only mistake was he did not speak in a convincing manner. Had he spoken clearly and explained the shopkeeper as to why the price of the pen should be a little lesser than what he had quoted, the pen would have been his. In this case the negotiation was not a fruitful one as nobody gained anything.

9.2 Importance of Negotiation in Organizations

The process of negotiation starts the moment an employee gets a selection call from an organization. It is essential that the individual responsible for hiring employees negotiates well with the candidate and offers him the best salary. Every organization runs for earning profits and thus the HR Professional must try to make the person join at the lowest possible salary but make sure you do not offer him anything less than his previous salary. He will never be interested to join. Even if he joins, he will not take his work seriously and the results would be zero. Discussions are important. Make him realize that money is not the only criteria for selecting a job. Other things like one's job responsibilities, job security as well as the brand name should also be considered.

Let us understand the importance of negotiation in corporate with the help of a simple example:

Tosin was working with a leading organization. He was a smart negotiator. He always negotiated well with his superiors as well as his fellow workers and thus, he enjoyed his work. He only accepted those responsibilities he knew he was capable of doing. No doubts his work was error free, and he was his boss's favourite. He was always well informed before going for any negotiation with vendors, never lost his temper and always closed the deal in favour of the organization. Good negotiation skills helped Tosin be the most appreciated employee among all.

Fig 9.1 Negotiation Skills



9.2.1 Preparation

When it comes to preparation, you would basically need to have a clear idea of how you are to go about with your points. One of the keys to effective negotiation is to be able to express your needs and your thoughts clearly to the other party. It is important that you carry out some research on your own about the other party before you begin the negotiation process.

This way you will be able to find out the reputation of the other party and any famous tactics used by him/her to try and get people to agree. You will then be well prepared to face the negotiator with confidence. Reading up on how to negotiate effectively will aid you to a great extent.

9.2.2 Exchanging Information

The information you provide must always be well-researched and must be communicated effectively. Do not be afraid to ask questions in plenty. That is the best way to understand the negotiator and look at the deal from his/her point of view. If you have any doubts, always clarify them.

9.2.3 Bargaining

The bargaining stage could be said to be the most important of the four stages. This is where most of the work is done by both parties. This is where the actual deal will begin to take shape. Terms and conditions are laid down. Bargaining is never easy. Both parties would have to learn to compromise on several aspects to come to a final agreement. This would mean that each party would therefore have to give up something to gain another. It is essential for you to always have an open mind and be tactful, while at the same time not giving away too much and settling for less.

ITQ

Question

- O The four stages of negotiation includes preparation, exchanging information, bargaining and _____.

Feedback

- The fourth stage of negotiation, which is also the final, is referred to as closing/commitment.

9.2.4 Closing and Commitment

The final stage would be where the last few adjustments to the deal are made by the parties involved, before closing the deal and placing their trust in each other for each to fulfil their role.

These four stages have proven to provide great results if studied carefully and applied. Many organizations use this strategy to help their employees negotiate successfully.

In the long run, you'll find that you will have mastered the art of negotiation and will be able to close a good deal without too much effort.

Study Session Summary



Summary

In this Study Session, you discussed communication and negotiation skills. You also examined the approaches and types of communication that exists within an organization. Finally, you described the negotiation patterns and why it is importance in an organization.

Assessment



Assessment

SAQ 9.1 (tests Learning Outcome 9.1)

Define negotiation

SAQ 9.2 (tests Learning Outcome 9.2)

Describe the process of negotiation with a new employee

Study Session 10

Decision Making

Introduction

In this study session, you will be discussing decision making and why it is necessary to be studied. Also, you will examine the different models of decision making; the decision weather, decision wish and the contingent decision. You will go further to describe the decision making skills and techniques. Finally, you will examine the decision making approaches and procedure.

Learning Outcomes



Outcomes

When you have studied this session, you should be able to:

- 10.1 explain decision making
- 10.2 discuss the approaches in decision making process

10.1 What is Decision Making?

Decision making is the study of identifying and choosing alternatives based on the values and preferences of the decision maker. Making a decision implies that there are alternative choices to be considered, and in such a case we want not only to identify as many of these alternatives as possible but to choose the one that (1) has the highest probability of success or effectiveness and (2) best fits with our goals, desires, lifestyle, values, and so on. Some of decision making models presuppose that decision making is the same as problem solving. Frequently, the first step in the decision making process is to identify the problem. Meanwhile, not every decision is solving a problem. For example, deciding whether you want dark chocolate or milk chocolate is not, in and of itself, a problem frame. Also, for some people decision making can be a problem! But that does not mean that they are the same thing so long it was attempted in the first place. Also decision making is the process of sufficiently reducing uncertainty and doubt about alternatives to allow a reasonable choice to be made from among them. This definition stresses the information-gathering function of decision making. It should be noted here that uncertainty is reduced rather than eliminated. Very few decisions are made with absolute certainty because complete knowledge about all the alternatives is seldom possible. Thus, every decision involves a certain amount of risk. If there is no uncertainty, you do not have a decision; you have an algorithm--a set of steps or a recipe that is followed to bring about a fixed result.

10.1.1 Types of Decisions

There are several basic kinds of decisions. They include:

Decisions Weather

This is the yes/no, either/or decision that must be made before we proceed with the selection of an alternative. Should I buy a new TV? Should I travel this summer? Decisions whether are made by weighing reasons pro and con. The PMI technique discussed in the next chapter is ideal for this kind of decision. It is important to be aware of having made a decision whether, since too often we assume that decision making begins with the identification of alternatives, assuming that the decision to choose one has already been made.

Decisions Wish

These decisions involve a choice of one or more alternatives from among a set of possibilities, the choice being based on how well each alternative measures up to a set of predefined criteria.

Contingent Decisions

These are decisions that have been made but put on hold until some condition is met. For example, I have decided to buy that car **if** I can get it for the right price; I have decided to write that article **if** I can work the necessary time for it into my schedule. OR even, we'll take the route through the valley if we can control the ridge and if we detect no enemy activity to the north. Most people carry around a set of already made, contingent decisions, just waiting for the right conditions or opportunity to arise. Time, energy, price, availability, opportunity, encouragement--all these factors can figure into the necessary conditions that need to be met before we can act on our decision. Some contingent decisions are unstated or even exist below the awareness of the decision maker. These are the types that occur when we seize opportunity. We don't walk around thinking, "If I see a new laser printer for \$38, I'll buy it," but if we happen upon a deal like that and we have been contemplating getting a new printer, the decision is made quickly. Decisions made in sports and warfare are like this. The best contingent and opportunistic decisions are made by the prepared mind--one that has thought about criteria and alternatives in the past.

ITQ

Question

- ☐ The kind of decisions that has been made but put on hold until some condition is met is referred to as _____?

Feedback.

- Contingent decision is the type of decision that has been made

but put on hold until some conditions are met.

10.1.2 Decision Making Skills and Techniques

Decision making is an essential leadership skill. If you can learn how to make timely, well-considered decisions, then you can lead your team to well-deserved success. If, however, you make poor decisions, your time as a leader will be brutally short.

We use our decision making skills to solve problems by selecting one course of action from several possible alternatives. Decision making skills are also a key component of time management skills. Decision making can be hard. Almost any decision involves some conflicts or dissatisfaction. The difficult part is to pick one solution where the positive outcome can outweigh possible losses. Avoiding decisions often seems easier. Yet, making your own decisions and accepting the consequences are the only way to stay in control of your time, your success, and your life. A significant part of decision making skills is in knowing and practicing good decision making techniques. One of the most practical decision making techniques can be summarized in those simple decision making steps:

1. **Identify the purpose of your decision.** What is exactly the problem to be solved? Why it should be solved?
2. **Gather information.** What factors does the problem involve?
3. **Identify the principles to judge the alternatives.** What standards and judgment criteria should the solution meet?
4. **Brainstorm and list different possible choices.** Generate ideas for possible solutions. See more on extending your options for your decisions on my **brainstorming tips** page.
5. **Evaluate each choice in terms of its consequences.** Use your standards and judgments criteria to determine the cons and pros of each alternative.
6. **Determine the best alternative.** This is much easier after you go through the above preparation steps.
7. **Put the decision into action.** Transform your decision into specific plan of action steps. Execute your plan.
8. **Evaluate the outcome of your decision and action steps.** What lessons can be learnt? This is an important step for further development of your decision making skills and judgments.

10.1.3 The Components of Decision Making

The Decision Environment

Every decision is made within a decision environment, which is defined as the collection of information, alternatives, values, and preferences *available at the time of the decision*. An ideal decision environment would include all possible information, all of it accurate, and every possible alternative. However, both information and alternatives are constrained because the time and effort to gain information or identify alternatives are limited. The time constraint simply means that a decision must be made by a certain time. The effort constraint reflects the limits of

manpower, money, and priorities. (You wouldn't want to spend three hours and half a tank of gas trying to find the very best parking place at the mall.) Since decisions must be made within this constrained environment, we can say that *the major challenge of decision making is uncertainty*, and a major goal of decision analysis is to reduce uncertainty. We can almost never have all information needed to make a decision with certainty, so most decisions involve an undeniable amount of risk.

The fact that decisions must be made within a limiting decision environment suggests two things. First, it explains why hindsight is so much more accurate and better at making decisions than foresight. As time passes, the decision environment continues to grow and expand. New information and new alternatives appear—even after the decision must be made. Armed with new information after the fact, the hindsighters can many times look back and make a much better decision than the original maker, *because the decision environment has continued to expand*.

ITQ

Question

- ☐ _____ is defined as the collection of information, alternatives, values, and preferences available at the time of the decision.

Feedback.

- Decision environment is defined as the collection of information, alternatives, values, and preferences available at the time of the decision.

The second thing suggested by the decision-within-an-environment idea follows from the above point. Since the decision environment continues to expand as time passes, it is often advisable to put off making a decision until close to the deadline. Information and alternatives continue to grow as time passes, so to have access to the most information and to the best alternatives, do not make the decision too soon. Now, since we are dealing with real life, it is obvious that some alternatives might no longer be available if too much time passes; that is a tension we have to work with, a tension that helps to shape the cut-off date for the decision.

And delaying a decision involves several risks:

- As the decision environment continues to grow, the decision maker might become overwhelmed with too much information and either makes a poorer decision or else face decision paralysis.
- Some alternatives might become unavailable because of events occurring during the delay. In a few cases, where the decision was between two alternatives (attack the pass or circle around behind the large rock), both alternatives might become unavailable, leaving the decision maker with nothing. And we

have all had the experience of seeing some amazing bargain only to hesitate and find that when we go back to buy the item, it is sold out.

- c. In a competitive environment, a faster rival might make the decision and gain advantage. Another manufacturer might bring a similar product to market before you (because that company didn't delay the decision) or the opposing army might have seized the pass while the other army was "letting the decision environment grow."

10.1.4 The Effects of Quantity on Decision Making

Many decision makers have a tendency to seek more information than required to make a good decision. When too much information is sought and obtained, one or more of several problems can arise.

1. A delay in the decision occurs because of the time required to obtain and process the extra information. This delay could impair the effectiveness of the decision or solution.
2. Information overload will occur. In this state, so much information is available that decision-making ability actually declines because the information in its entirety can no longer be managed or assessed appropriately. A major problem caused by information overload is forgetfulness. When too much information is taken into memory, especially in a short period of time, some of the information (often that received early on) will be pushed out. The example is sometimes given of the man who spent the day at an information-heavy seminar. At the end of the day, he was not only unable to remember the first half of the seminar but he had also forgotten where he parked his car that morning.
3. Selective use of the information will occur. That is, the decision maker will choose from among all the information available only those facts which support a preconceived solution or position.
4. Mental fatigue occurs, which results in slower work or poor quality work.
5. Decision fatigue occurs where the decision maker tires of making decisions. Often the result is fast, careless decisions or even decision paralysis--no decisions are made at all.

The quantity of information that can be processed by the human mind is limited. Unless information is consciously selected, processing will be biased toward the first part of the information received. After that, the mind tires and begins to ignore subsequent information or forget earlier information. (Have you ever gone shopping for something where you looked at many alternatives--cars, knives, phones, TVs--only to decide that you liked the first one best?)

10.1.5 Definitions of some Concepts in Decision Making

Information

This is knowledge about the decision, the effects of its alternatives, the probability of each alternative, and so forth. A major point to make here is that while substantial information is desirable, the statement that "the more information, the better" is not true. Too much information can actually reduce the quality of a decision. See the discussion on The Effects of Quantity on Decision Making above.

Alternatives

These are the possibilities one has to choose from. Alternatives can be identified (that is, searched for and located) or even developed (created where they did not previously exist). Merely searching for pre-existing alternatives will result in less effective decision making.

Criteria

These are the characteristics or requirements that each alternative must possess to a greater or lesser extent. Usually the alternatives are rated on how well they possess each criterion. For example, alternative Toyota ranks an 8 on the criterion of economy, while alternative Buick ranks a 6 on the same criterion.

Goals

What is it you want to accomplish? Strangely enough, many decision makers collect a bunch of alternatives (say cars to buy or people to marry) and then ask, "Which should I choose?" without thinking first of what their goals are, what overall objective they want to achieve. Next time you find yourself asking, "What should I do? What should I choose?" ask yourself first, "What are my goals?"

A component of goal identification should be included in every instance of decision analysis.

Value

Value refers to how desirable a particular outcome is, the value of the alternative, whether in dollars, satisfaction, or other benefit.

Preferences

These reflect the philosophy and moral hierarchy of the decision maker. We could say that they are the decision maker's "values," but that might be confusing with the other use of the word, above. If we could use that word here, we would say that personal values dictate preferences. Some people prefer excitement to calmness, certainty to risk, efficiency to aesthetics, quality to quantity, and so on. Thus, when one person chooses to ride the wildest roller coaster in the park and another chooses a mild ride, both may be making good decisions, if based on their individual preferences.

Decision Quality

This is a rating of whether a decision is good or bad. A good decision is a logical one based on the available information and reflecting the preferences of the decision maker.

Acceptance

Those who must implement the decision or who will be affected by it must accept it both intellectually and emotionally. Acceptance is a critical factor because it occasionally conflicts with one of the quality criteria. In such cases, the best thing to do may be to choose a lesser quality solution that has greater acceptance.

10.2 Approaches to Decision Making

There are two major approaches to decision making in an organization, the authoritarian method in which an executive figure makes a decision for the group and the group method in which the group decides what to do.

10.2.1 Authoritarian

The manager makes the decision based on the knowledge he can gather. He then must explain the decision to the group and gain their acceptance of it. In some studies, the time breakdown for a typical operating decision is something like this: make decision, 5 min.; explain decision, 30 min.; gain acceptance, 30 min.

10.2.2 Group

The group shares ideas and analyses, and agrees upon a decision to implement. Studies show that the group often has values, feelings, and reactions quite different from those the manager supposes they have. No one knows the group and its tastes and preferences as well as the group itself. And, interestingly, the time breakdown is something like this: group makes decision, 30 min.; explain decision, 0 min.; gain acceptance, 0 min.

Clearly, just from an efficiency standpoint, group decision making is better. More than this, it has been shown many times that *people prefer to implement the ideas they themselves think of*. They will work harder and more energetically to implement their own idea than they would to implement an idea imposed on them by others. We all have a love for our own ideas and solutions, and we will always work harder on a solution supported by our own vision and our own ego than we will on a solution we have little creative involvement with.

There are two types of group decision making sessions. First is **free discussion** in which the problem is simply put on the table for the group to talk about. For example, Joe has been offered a job change from shift supervisor to maintenance foreman. Should he take the job?

The other kind of group decision making is **developmental discussion** or structured discussion. Here the problem is broken down into steps, smaller parts with specific goals. For example, instead of asking

generally whether Joe should take the job, the group works on sub questions: What are Joe's skills? What skills does the new job require? How does Joe rate on each of the skills required? Notice that these questions seek specific information rather than more general impressionistic opinions.

Developmental discussion (1) insures systematic coverage of a topic and (2) insures that all members of the group are talking about the same aspect of the problem at the same time.

10.2.3 Decision Making Procedure

Risking

Because making decisions involves a degree of risk, it would be helpful to examine risk and risk analysis in this chapter in order to gain an understanding of what is involved. Risk and uncertainty create anxiety, yet they are necessary components of an active life. General comments on risk taking includes:

- **Only the risk takers are truly free.** All decisions of consequence involve risk. Without taking risks, you cannot grow or improve or even live.
- **There is really no such thing as permanent security** in anything on earth. Not taking risks is really not more secure than taking them, for your present state can always be changed without action on your part. If you don't take the risk of dying by driving to the store, your house could collapse on you and kill you anyway.
- **You are supposed to be afraid when you risk.** Admit your fears--of loss, of rejection, of failure.
- **Risking normally involves a degree of separation anxiety**--the anxiety you feel whenever you are removed from something that makes you feel secure. Many children feel this when they first leave their parents for school. Some college students feel this when they go off to college. Travelers sometimes feel it when they get homesick. The way to overcome separation anxiety is to build a bridge between the familiar and secure and the new.

Find out what the new place--school or country--is like and how its elements compare to familiar and secure things at home. Take familiar things with you--books, teddy bear, popcorn popper, whatever.

The same is true of all risks. Make the opportunity as familiar as possible and learn as much about it as you can before you release the security of the old. Find out about the new job, its location, the lifestyle of those who live there, and so on.

Study Session Summary



Summary

In this Study Session, you discussed decision making process, which is an important aspect of every life and organisation. You examined decision environment and the effects of quantity on decision making.

Assessment



Assessment

SAQ 10.1 (tests Learning Outcome 10.1)

What is decision making?

SAQ 10.2 (tests Learning Outcome 10.2)

Explain the approaches to decision making

Bibliography



Reading

Robert Harris, Version Date: December 2, 2009

Study Session 11

Organizational Culture

Introduction

In this study session, you will be discussing organisational structure. You will examine its definitions and the manifestations. Also, you shall describe the symbol and artifacts, as it relates to the organisational structure. Lastly, you describe the rites and rituals in an organisation.

Learning Outcomes



Outcomes

When you have studied this session, you should be able to:

11.1 define organizational culture

11.1 Defining Organizational Culture

Organizational culture is a far easier concept to *experience* than it is to define. At the most general level, culture can be thought of as the “view of the world” under which the members of an organization operate. By “view of the world,” we mean that culture essentially represents the “lens” through which employees of an organization learn to interpret the environment. According to Schein (1985, 1992), there are essentially three levels of an organization’s culture, and each succeeding level is more difficult for outsiders to decipher. The most visible level of organizational culture is reflected in artifacts, technology, and behaviour patterns.

11.1.1 Manifestations of Organizational Culture

Symbols and Artifacts

Symbols and artifacts are objects or aspects of the organizational environment that convey some greater meaning. In most organizations, symbols provide us with information on the nature of the culture. Perhaps one of the most revealing symbols in an organization is the physical layout in which employees work. In some organizations, employees’ “offices” are located in large open areas; in others, however, employees are given a great deal more privacy by having their offices placed in more remote locations. In the former setting, the office layout may be symbolic of a culture that places a high value on sociability and openness of communication. In the latter, the layout may be symbolic of a culture

characterized by a high degree of secrecy or perhaps just a great deal of respect for privacy. Another aspect of the physical environment that may provide symbolic information is the pervasiveness of status symbols. In recent years, it has become popular for organizations to de-emphasize status differentials; however, there are undoubtedly differences between organizations in this regard. An organization that has separate dining facilities for its executives, and carefully makes sure that the size of offices reflects employees' location in the status hierarchy, reflects a very status conscious culture. On the other hand, organizations that have none of these status symbols are conveying a more egalitarian culture.

An artefact, as described earlier, is a material object that is created by people *specifically* to facilitate culturally expressive activities (Schein, 1983). An artefact is very similar to a symbol; the only difference is that artifacts represent a more direct attempt to convey cultural meaning, whereas symbols are more indirect. As with symbols, artifacts are most easily found in the physical environment of organizations. One of the most typical cultural artifacts in organizations is the physical manifestation of the major technology that is used. In educational settings, for example, classrooms are symbolic artifacts in that they convey the fact that students are to be reasonably obedient recipients of the knowledge that is passed down to them.

Rites and Rituals

Rites represent “relatively elaborate, dramatic, planned sets of activities that consolidate various forms of cultural expressions into one event, which is carried out through social interactions, usually for the benefit of an audience” (Trice & Beyer, 1984, p. 655). For example, in academia, a familiar rite of passage is the oral defence of one's doctoral dissertation.

In some cases, rites are designed to sanction or, in a more general sense, to convey negative information to employees. Rites of degradation often occur when there is a problem in the organization or when there must be a change in personnel. In the military, for example, when someone is relieved of his or her command, there is a great deal of symbolism in the change-of-command ceremony. When someone is denied tenure in a university, the year following the denial of tenure is a type of degradation ceremony. During this year, a faculty member must face his or her peers each day, knowing that he or she has failed to meet tenure standards and thus will not be employed there the following year.

In direct contrast, rites of enhancement are designed to convey positive information. This can be positive information about the organization, or public recognition of individuals for exceptional levels of performance. To illustrate this type of rite, Trice and Beyer (1984) provide the example of the employee seminars conducted by the Mary Kay cosmetics company. During these seminars, the company legacy is celebrated, and individual employees are recognized for outstanding sales performance—all of which is done with a great deal of fanfare and glamour. Many of the activities at the annual meetings of professional organizations often serve this purpose as well.

Question

- O _____represents relatively elaborate and dramatically, planned sets of activities that consolidate various forms of cultural expressions into one event, which is carried out through social interactions, usually for the benefit of an audience

Feedback

- The relatively elaborate and dramatically planned sets of activities that consolidate various forms of cultural expressions into one event, which is carried out through social interactions, usually for the benefit of an audience is called Rites and rituals.

Study Session Summary



Summary

In this Study Session, you discussed organisational culture. You also examined how symbols and artifacts are used to convey important messages within an organisation. Lastly, you described how an organisation use rites and rituals as a medium of interaction through an organized social event.

Assessment



Assessment

SAQ 11.1 (tests Learning Outcomes 11.1 and 11.2)

What are symbols and artifacts in organisational culture?

Study Session 12

Organizational Group Dynamics and Group Effectiveness

Introduction

In this study session, you will examine organizational group dynamics and group effectiveness. You will also discuss reasons why people join group and how groups can be effective. Furthermore, you will highlight the characteristics, types and stage of group development.

Learning Outcomes



Outcomes

When you have studied this session, you should be able to:

- 12.1 define organizational group
- 12.2 examine the structure of a group

12.1 Concept of an Organizational Group

Most employees belong to some formal work group, and organizations often establish temporary or ad hoc groups to accomplish many important tasks. Thus, a great deal of behaviour in organizations takes place within group situations. It is therefore essential to examine behaviour in groups in order to obtain a complete understanding of behaviour in organizational settings. The prevalence of groups in organizations simply mirrors the fact they are also prevalent in everyday life. For example, most people are part of a family and belong to groups in their community or church, or within their profession. It is a good bet that most readers belong to a variety of groups, and that membership in these groups has an important impact on their behaviour and attitudes. Organizations make frequent use of groups for an obvious reason: a group can accomplish more than an individual. Groups are also used because the output of several people working on a task may be better—or, in some cases, more creative—than if each person approached the task individually. A third reason that groups are frequently utilized is simply convention. Organizational scholars (e.g., Hackman, 1992) have noted that behaviour in organizations is often driven by “social inertia,” or relying on familiar ways of doing things. Because groups have been used in the past, they are sometimes used without much thought as to whether they are appropriate for a given task.

12.1.1 Reasons why do People join Groups

People join groups for a multitude of reasons. A major reason is that group membership often results in some form of need satisfaction on the part of the individual. If one takes an evolutionary perspective (e.g., Buss, 1996), group membership may appeal to individuals' basic need for survival. Activities that enhance survival, such as hunting and defence against predators, are often better accomplished collectively than individually. Because of this, some have argued, the tendency to affiliate and form groups has become an adaptive behaviour and thus has endured over many centuries.

At the present time, basic survival is not at issue for most people; thus, group membership often allows the fulfilment of other types of needs. One that is typically satisfied by group membership is the need for affiliation. Although there is not a clear consensus in the psychological literature as to whether humans have an innate biological need for social contact (e.g., Bowlby, 1973), most people do desire some form of it. Thus, people often join groups simply to be in the company of other people. In fact, when people do not affiliate with others for prolonged periods of time, this may lead to psychological adjustment problems or even more severe forms of psychopathology.

Another need that is often satisfied through group membership is the need for power. As was stated in Chapter 10, social power involves the capacity or potential to influence the behaviour of others. If one has a strong need to exert power over others, that person needs to be in the company of other people. (It's pretty hard to boss yourself around! Actually, it can be done, but you might get some funny looks!) Thus, people often do join groups so they can hold leadership positions that allow them to exert power and influence over other group members. Besides providing the opportunity for need satisfaction, group membership often gives people a greater opportunity to achieve goals than they would have if they were acting alone. For example, people often join labour unions because they believe they can achieve higher wages and more favourable working conditions by acting collectively rather than negotiating with their employer as individuals. Other examples of organizations joined for this reason include political parties, criminal organizations, churches, lobbying organizations, and consumer advocacy groups. These organizations seek vastly different goals, but they are similar in their use of the power of collective action to achieve some goal or higher purpose.

A final reason that people often join groups is that being around other people often provides comfort and support (Cohen & Wills, 1985). Particularly when people are anxious, or when they are experiencing stressful periods in their lives, being around other people can offer a great deal of support. This is especially true when the other people comprising a group are experiencing the same difficulties (Schacter, 1959). Examples of group membership can be seen in the numerous support groups for people with certain diseases (e.g., cancer), survivors of tragedies (e.g., loss of a spouse), or people who are going through other major life transitions (e.g., divorce).

The major point to be gleaned from this section is that, typically, people do not randomly join groups; usually, they do so for more instrumental reasons. Another important point is that membership in a particular group may serve several purposes at the same time. Although organizations typically form groups in order to accomplish work-related tasks, work groups may serve a variety of other purposes for their members, such as affiliation and social support. This point is often overlooked in organizational psychology, but it is important in understanding the behaviour of work groups.

ITQ

Question (True/False)

- ☐ Activities that enhance survival are often better accomplished individually.

Feedback

- The correct option is “false”. Activities that enhance survival, such as hunting and defence against predators, are often better accomplished collectively than individually. And that gives reasons why people join groups.

12.1.2 Characteristics of Groups

Psychologists who study group behaviour are much more precise in their definition of what constitutes a group, as compared to the way most people use this term in everyday conversation. Although there is no “universal” accepted definition of what constitutes a group (Forsyth, 1999), there is actually a good deal of consensus on the most important defining characteristics. A term that is found in most definitions of a group is interdependence.

Specifically, to be considered a group, a collection of people must, in some way, be interdependent. This simply means that the outcomes each member of a collective receives depend, to some degree, on the other members of the collective. In work situations, interdependence may be seen when one person may need information from other employees in order to do his or her job. Interdependence may also exist in social situations; that is, people may depend on each other for having fun.

Another key defining characteristic of a group is social interaction. To be considered a group, people must interact with each other in some way. This typically takes the form of verbal and nonverbal communication. If people are not in the same physical location, this interaction may take other forms (e.g., phone, e-mail, and so on). On the other hand, people who do not interact are typically not considered to be a group. Consider, for example, five people standing in an elevator. The people in this situation are essentially ignoring each other and would not be considered a group.

A third defining characteristic of a group is the perception of being a group, on the part of the actual group members and those external to the group. There may be instances where people interact with each other, and

may even be somewhat interdependent, but do not perceive themselves as a group. Consider, for example, the members of a wedding party. These individuals certainly embody the first two characteristics of a group: they interact, and their behaviour is somewhat interdependent (e.g., there is usually some predetermined order in which they must walk down the aisle). In most cases, though, these individuals probably perceive themselves as a collection of individuals rather than a group.

Furthermore, even if some level of group identity does develop among these individuals, it is very short-lived. A key defining characteristic of groups is commonality of purpose. For a collection of people to be a group, they must have some common goal or other reason for existence.

Common goals may be quite formal—for example, for a work group—or quite informal, as would be the case for a group of friends who get together simply because they enjoy each other's company. The major point is: For a collection of people to be a group, they must have, at some level, something they are trying to accomplish collectively.

Based on these defining characteristics of groups, two important points are worth mentioning. First, clearly dividing collections of people into “groups” and “nongroups” is often difficult to do. Some collections of people are more “group like” than others. Thus, whether a collection of people constitutes a group is more a matter of degree than it is an absolute judgment. Second, within organizational settings, we often use the term grouping correctly. A formal work “group” may simply be a collection of people who are linked for administrative purposes but exhibit few of the defining characteristics of a group. In universities, for example, academic departments are typically considered “groups,” even though the work of the “members” (professors) is not usually interdependent. They may interact very infrequently, may not perceive themselves as a group, and may disagree vehemently about departmental goals.

The other side of this, however, is that, within organizations, informal groups may develop, and the impact of these groups may be powerful. For example, people may develop friendship groups based on their level of seniority within the organization or their common interests (e.g., running, playing golf).



Informal groups are important because they impact employees' attitudes.

12.1.3 Types of Groups

Group types are routinely distinguished by the work that the groups do:

- **Production groups** consist of front line employees who produce some tangible output. Autonomous production groups are self-directed or self-managing while semi-autonomous production

groups typically have a dedicated supervisor who oversees all operations.

- **Service groups** consist of employees that work with customers on a repeated basis, such as airline teams, maintenance groups, sales groups, call centres, etc.
- **Management groups** consist of an executive or senior manager along with managers that report directly to him/her. Management groups are often able to organize themselves towards goals such as policy making, budgeting, staffing, and planning.
- **Project groups** are generally cross-function groups of individuals brought together for the duration of a specific, time-limited project. Project groups are usually disbanded once the project is complete.
- **Action and performing groups** are groups that typically consist of expert specialists who conduct complex, time-limited performance events. Examples include musical bands, military crews, surgery teams, rescue units or professional music groups.
- **Advisory groups** consist of employees that work outside of, but parallel with, production processes. Examples include quality circles, selection committees, or other advisory groups pulled together to make recommendations to an organization.

12.2 Group structure

A group's structure is the internal framework that defines members' relations to one another over time. The most important elements of group structure are roles, norms, values, communication patterns, and status differentials.

- A **role** can be defined as a tendency to behave, contribute and interrelate with others in a particular way. Roles may be assigned formally, but more often are defined through the process of role differentiation. Role differentiation is the degree to which different members of a group have specialized functions. Functional (task) roles are generally defined in relation to the tasks the team is expected to perform. Other types of roles are the socio-emotional role which helps maintain the social fabric of the group, the individual role and the leader role.
- Group **norms** are the informal rules that groups adopt to regulate members' behaviour. Norms refer to what should be done and represent value judgments about appropriate behaviour in social situations. Although they are infrequently written down or even discussed, norms have powerful influence on group behaviour.
- Group **values** are goals or ideas that serve as guiding principles for the group. Like norms, values may be communicated either explicitly or on an ad hoc basis. Values can serve as a rallying point for the team. However, some values (such as conformity) can also be dysfunction and lead to poor decisions by the team.
- **Communication patterns** describe the flow of information within the group and they are typically described as either centralized or decentralized. With a centralized pattern,

communications tend to flow from one source to all group members. Centralized communications allow consistent, standardization information but they may restrict the free flow of information. Decentralized communications allow information to be shared directly between members of the group. When decentralized, communications tend to flow more freely, but the delivery of information may not be as fast or accurate as with centralized communications. Another potential downside of decentralized communications is the sheer volume of information that can be generated, particularly with electronic media.

- **Status differentials** are the relative differences in status among group members. Status can be determined by a variety of factors, including expertise, occupation, age, gender or ethnic origin. Status differentials may affect the relative amount of pay among group members and they may also affect the group's tolerance to violation of group norms (i.e. people with higher status are given more freedom to violate group norms).

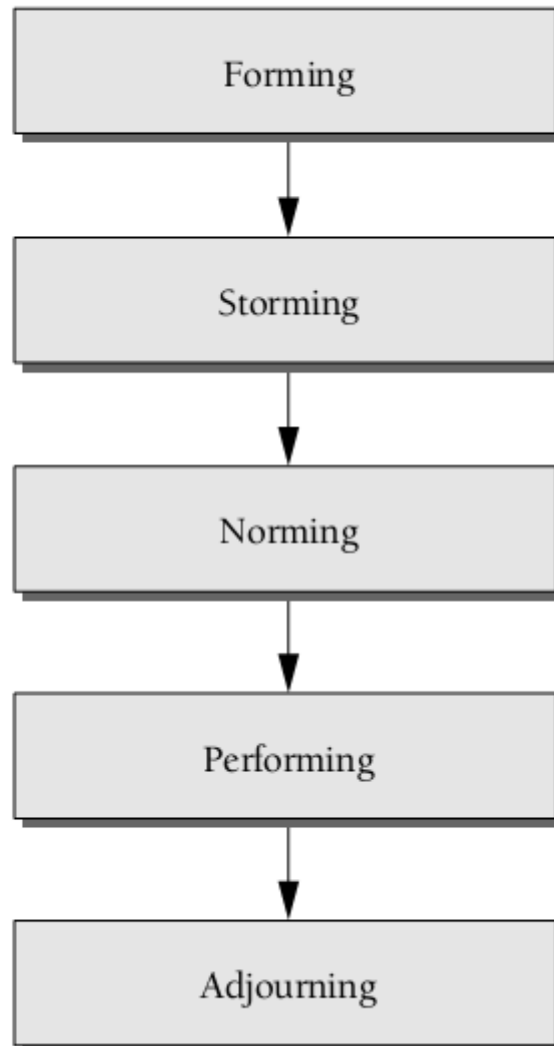
12.2.1 Stages of Group Development

Now that the basic dimensions of group structure have been described, we turn to the issue of how groups develop and change over time. All groups are somewhat unique in the way they are formed and the manner in which they may change over time. Despite this uniqueness, group dynamics researchers and theorists have identified a great deal of commonality in the way group behaviour unfolds over time. Three of the most popular theoretical models describing the process of group development are described below.

Tuckman's (1965) Stage Model

Tuckman (1965) reviewed 50 articles dealing with development processes in a variety of groups (e.g., therapy groups, sensitivity training groups, naturally occurring groups, and laboratory groups) and concluded that there was a good deal of commonality in the processes by which these groups developed over time. Based on these findings, he proposed a stage model of group development that ultimately became quite popular and has endured very well over time. The stages in this model, presented in Figure 11.3, are essentially based on the major issues that a group must grapple with at various points in its development.

Tuckman's (1965) Model of Group Development



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As can be seen, the first stage in the model is forming. This is the beginning point in the life of a group and is typically characterized by a great deal of uncertainty, or even anxiety, on the part of group members. This occurs because members of a group may be unfamiliar with each other and may have vastly different expectations about what to expect from membership in the group. At this point in the life of a group, members may deal with such uncertainties by depending heavily on the group leader for information and direction. Ultimately, though, the uncertainties that accompany membership in a new group gradually dissipate over time as group members acquire information and feel more comfortable being part of the group.

After issues associated with being in a new group are resolved, the next stage in group development is labelled storming. As one might guess

from its name, this stage is characterized by conflict over a number of issues.

For example, group members may disagree over important group norms, or perhaps over who should assume leadership responsibilities. This stage may be rather unpleasant, but it is also necessary if the groups hope to ultimately function effectively. If group members never acknowledge their disagreements, these may ultimately come out in a subtle ways and prevent the group from ever performing effectively. It should be noted, however, that it is also possible for group members to be too vigorous in airing their differences. If conflicts are too intense and personal, group members may simply be unable to work together and never move past this stage.

ITQ

Question

- O Which of these is not an elements of Tuckman's (1965) Model of group development?
 (a) Forming (b) Storming (c) Morning (d) Performing (e) Adjourning

Feedback

The correct option is 'C,' morning. The correct spelling is norming.

Assuming that the conflicts identified during the storming stage can be resolved, the group next moves into the norming stage. In a very real sense, this is the point where a "collection of people" becomes a "group."

After a group has reached the norming stage and is capable of working as an integrated unit, the next stage in group development is performing. This is the point at which a group accomplishes the major task or tasks for which it was formed. For example, if a group was formed to develop a strategic plan for an organization, this would be the point at which the group would actually come up with that plan. As Tuckman (1965) and others (e.g., Hackman, 1990, 1992) point out, not all groups reach this stage in group development. Problems during the earlier stages of group development (e.g., unresolved conflicts) may prevent a group from accomplishing its major tasks. All groups, however, have the potential to reach this stage.

What happens when a group ultimately performs the task for which it was formed? A group may simply keep on performing this same task or move on to another one. In many other cases, a group is disbanded and the individuals move on to other activities. In recognition of this fact, Tuckman and Jensen n (1977) added a fifth stage, adjourning, to the original model. In some cases, particularly when groups are formed for a very short duration, the adjourning phase is relatively mundane. That is, group members simply move on. However, when group members are together for a long period or the group experience is very intense, this can be a difficult time. Group members may genuinely miss each other and have feelings of loss or abandonment. Over time, group members will usually overcome these feelings, but initially it may be very difficult.

Tuckman's (1965) model is certainly useful in describing developmental processes in a great many groups. However, there are instances where groups do not strictly adhere to the sequence described in the model. For example, a group of individuals may have to come together and perform immediately, and address other issues later. There may also be cases in which a group of individuals immediately adheres to a strong set of norms, and deals with other issues later. The important point for readers to understand is that this model explains group development in general.

A second and related point is that Tuckman's (1965) model is best thought of as cyclical. For example, a group may progress all the way to the performing stage, but may have to digress to storming if important conflicts among group members arise. Also, in many instances, the composition of a group may change over time. Each time a new member joins a group, certain elements of the forming stage are replayed. For example, a group may progress all the way to the performing stage, but may have to digress to storming if important conflicts among group members arise. Also, in many instances, the composition of a group may change over time. Each time a new member joins a group, certain elements of the forming stage are replayed. For the new member, this period may be fraught with uncertainty and anxiety. However, longer-tenured group members may also have apprehensions about the new group member(s), and thus may experience a good deal of uncertainty of their own. The important point here is that real groups in organizations do not develop in a lock-step fashion. Over time, they cycle back and forth between different stages.

Study Session Summary



Summary

In this Study Session, you discussed the organizational group dynamics and group effectiveness. You evaluated reasons why people join groups. Lastly, you described the characteristics and structures of a group.

Assessment



Assessment

SAQ 12.1 (tests Learning Outcome 12.1)

Discuss the reasons why people prefer to join groups

SAQ 12.2 (tests Learning Outcome 12.2)

List four types of groups

Study Session 13

Leadership and Management

Introduction

In this study session, you shall examine the relationship between leadership and management. You will also be exploring different styles of leadership. Likewise, you will explain the nature of a manager's duty.

Learning Outcomes



Outcomes

When you have studied this session, you should be able to:

- 13.1 Define leadership and management
- 13.2 discuss leadership style

13.1 Managers' Subordinates

By definition, managers have subordinates - unless their title is honorary and given as a mark of seniority, in which case the title is a misnomer and their power over others is other than formal authority.

13.1.1 Authoritarian, Transactional Style

Managers have a position of authority vested in them by the company, and their subordinates work for them and largely do as they are told. Management style is transactional, in that the manager tells the subordinate what to do, and the subordinate does this not because they are a blind robot, but because they have been promised a reward (at minimum their salary) for doing so.

13.1.2 Work Focus

Managers are paid to get things done (they are subordinates too), often within tight constraints of time and money. They thus naturally pass on this work focus to their subordinates.

13.1.3 Seek Comfort

An interesting research finding about managers is that they tend to come from stable home backgrounds and led relatively normal and comfortable lives. This leads them to be relatively risk-averse and they will seek to avoid conflict where possible. In terms of people, they generally like to run a 'happy ship'. Management controls or directs people/resources in a group according to principles or values that have already been

established. Management controls resources to maintain the status quo or ensure things happen according to already-established plans. E.g.: a referee manages a sports game, but does not usually provide "leadership" because there is no new change, no new direction - the referee is controlling resources to ensure that the laws of the game are followed and status quo is maintained.

13.1.4 Leaders have Followers

Leaders do not have subordinates - at least not when they are leading. Many organizational leaders do have subordinates, but only because they are also managers. But when they want to lead, they have to give up formal authoritarian control, because to lead is to have followers, and following is always a voluntary activity.

13.1.5 Charismatic, transformational style

Telling people what to do does not inspire them to follow you. You have to appeal to them, showing how following them will lead to their hearts' desire. They must want to follow you enough to stop what they are doing and perhaps walk into danger and situations that they would not normally consider risking.

Leaders with a stronger charisma find it easier to attract people to their cause. As a part of their persuasion they typically promise transformational benefits, such that their followers will not just receive extrinsic rewards but will somehow become better people.

13.6 People Focus

Although many leaders have a charismatic style to some extent, this does not require a loud personality. They are always good with people and quiet, styles that give credit to others (and take blame on themselves) are very effective at creating the loyalty that great leaders engender.

Although leaders are good with people, this does not mean they are friendly with them. In order to keep the mystique of leadership, they often retain a degree of separation and aloofness.

This does not mean that leaders do not pay attention to tasks - in fact they are often very achievement-focused. What they do realize, however, is the importance of enthusing others to work towards their vision.

13.7 Seek Risk

In the same study that showed managers as risk-averse, leaders appeared as risk-seeking, although they are not blind thrill-seekers. When pursuing their vision, they consider it natural to encounter problems and hurdles that must be overcome along the way. They are thus comfortable with risk and will see routes that others avoid as potential opportunities for advantage and will happily break rules in order to get things done.

A surprising number of these leaders had some form of handicap in their lives which they had to overcome. Some had traumatic childhoods, some had problems such as dyslexia, others were shorter than average. This

perhaps taught them the independence of mind that is needed to go out on a limb and not worry about what others are thinking about you.

Leadership is setting a new direction or vision for a group that they follow, i.e.: a leader is the spearhead for that new direction. Leadership sets a direction or vision that others follow, without considering too much how the new direction is going to be achieved. Other people then have to work hard in the trail that is left behind, picking up the pieces and making it work. e.g.: in Lord of the Rings, at the council of Elrond, Frodo Baggins rescues the council from conflict by taking responsibility for the quest of destroying the ring - But most of the management of the group comes from others.

13.2 Leadership Style

Leadership style is about the ways and approaches through which leaders get the work achieved. The styles include:

13.2.1 Autocratic

In the autocratic style, the leader takes decisions without consulting with others. The decision is made without any form of consultation. In Lewin's experiments, he found that this caused the most level of discontent. An autocratic style works when there is no need for input on the decision, where the decision would not change as a result of input, and where the motivation of people to carry out subsequent actions would not be affected whether they were or were not involved in the decision-making.

13.2.2 Democratic

In the democratic style, the leader involves the people in the decision-making, although the process for the final decision may vary from the leader having the final say to them facilitating consensus in the group. Democratic decision-making is usually appreciated by the people, especially if they have been used to autocratic decisions with which they disagreed. It can be problematic when there are a wide range of opinions and there is no clear way of reaching an equitable final decision.

13.2.3 Laissez-Faire

The laissez-faire style is to minimize the leader's involvement in decision-making, and hence allowing people to make their own decisions, although they may still be responsible for the outcome. Laissez-faire works best when people are capable and motivated in making their own decisions, and where there is no requirement for a central coordination, for example in sharing resources across a range of different people and groups.

This table summarizes the above (and more) and gives a sense of the differences between being a leader and being a manager. This is, of course, an illustrative characterization, and there is a whole spectrum between either ends of these scales along which each role can range. And many people lead and manage at the same time, and so may display a combination of behaviors.

Subject	Leader	Manager
Essence	Change	Stability
Focus	Leading people	Managing work
Have	Followers	Subordinates
Horizon	Long-term	Short-term
Seeks	Vision	Objectives
Approach	Sets direction	Plans detail
Decision	Facilitates	Makes
Power	Personal charisma	Formal authority
Appeal to	Heart	Head
Energy	Passion	Control
Culture	Shapes	Enacts
Dynamic	Proactive	Reactive
Persuasion	Sell	Tell
Style	Transformational	Transactional
Exchange	Excitement for work	Money for work
Likes	Striving	Action
Wants	Achievement	Results
Risk	Takes	Minimizes
Rules	Breaks	Makes
Conflict	Uses	Avoids
Direction	New roads	Existing roads
Truth	Seeks	Establishes
Concern	What is right	Being right
Credit	Gives	Takes
Blame	Takes	Blames

Change mind.org

ITQ

Question

When a leader take decisions without consulting with others is called

- A. Democratic
- B. Laissez-Faire
- C. Autocratic

Feedback

The correct option is 'C' autocratic. Laissez-Faire is to minimize the leader's involvement in decision-making. While, Democratic is when leader involves the people in the decision-making.

Study Session Summary



Summary

In this Study Session, you examined the relationship between leaders and managers. You also discussed the different functions of a manager. Lastly, you highlighted diverse leadership styles.

Assessment



Assessment

SAQ 13.1 (tests Learning Outcome 13.1)

Discuss the Charismatic leadership style

SAQ 13.2 (tests Learning Outcome 13.2)

- a. Define leadership style
- b. List the leadership styles

Study Session 14

Occupational Stress

Introduction

In this study session, you will discuss occupational stress and its diverse approaches. You will also examine models of occupational stress and the workplace stressor.

Learning Outcomes



Outcomes

When you have studied this session, you should be able to:

- 14.1 discuss approaches to occupational stress
- 14.2 describe workplace stressor

14.1 Approaches to Occupational Stress

A question that is frequently asked about occupational stress is: Does it really have an aversive effect on individuals and organizations, or are those who study occupational stress “making mountains out of molehills”?

To capture the interdisciplinary nature of occupational stress, Beehr and Franz (1987) proposed that occupational stress can be approached from four different perspectives:

1. Medical
2. clinical/counselling
3. engineering psychology
4. organizational psychology.

The distinguishing feature of the **medical approach** to occupational stress is a focus on the contribution of stress in the workplace to employee health and illness. When viewed from this perspective, stressful aspects of the work environment may be considered pathogenic agents that contribute to disease conditions. Not surprisingly, many researchers who approach occupational stress from this perspective are physicians or have received their academic training in some other health-related field (e.g., health education, nursing, or public health).

The **clinical/counselling approach** to occupational stress emphasizes the impact of stressful working conditions on mental health outcomes (e.g., depression, anxiety). Beehr and Franz (1987) also point out that, compared to the others; this approach tends to focus more on *treatment* than on *research*. That is, rather than focusing on *why* stressful work

conditions lead to problems, adherents of this approach tend to focus on developing methods to relieve stress-related symptomatology (e.g., Beehr, Jed, & Ghosh, 2001). As one would expect, the clinical/counselling approach is dominated by those trained in clinical or counselling psychology.

The **engineering psychology approach** to occupational stress focuses on sources of stress that originate from the physical work environment. Examples of these might include work schedules, pace of work, or perhaps the design of employees' workstations. This emphasis on the physical environment as a source of stress is not surprising, given that the discipline of engineering psychology (also termed *human factors*) focuses on the interface between employees and the physical environment. Another distinctive feature of this approach, according to Beehr and Franz (1987), is that it emphasizes the performance related implications of stress in the workplace. It is also true, though not pointed out by Beehr and Franz, that much of the occupational stress research guided by this approach has examined health-related outcomes such as physiological changes (Frankenhaeuser, 1979) or fatigue (Sparks, Cooper, Fried, & Shirom, 1997).

The **organizational psychology approach** to occupational stress is characterized by a number of distinctive features. For one thing, this approach tends to focus on what were previously defined as *psychosocial* sources of stress in the workplace. This implies two things.

First, this approach tends to focus heavily on **cognitive appraisal**, or the process by which employees perceive the work environment and decide whether it is stressful. Second, as was pointed out earlier, this approach tends to focus on sources of stress that emanate from interactions with others (e.g., they are social in nature). Another distinguishing feature of this approach, as compared to the others, is that researchers tend to be interested in the impact of occupational stress on employee outcomes that directly impact organizational effectiveness.

ITQ

Question

- O _____ focuses on the contribution of stress in the workplace to employee health and illness.
- A. Clinical/counselling approach
 - B. Medical approach
 - C. Engineering psychology approach

Feedback

- The correct option is 'B' medical approach. Clinical/counselling approach focuses on impact of stressful working conditions on mental health outcomes. Engineering psychology approach focuses on sources of stress that originate from the physical work environment.

14.1.1 Model of Occupational Stress

Person–Environment Fit Model

This model of occupational stress actually has implications for many organizational phenomena (E.g. selection, socialization). The historical roots of the Person–Environment (P–E) Fit approach can be traced back to Kurt Lewin and his notion of *interactional psychology*.

Lewin believed that human behaviour is a function of the interaction between characteristics of the person and characteristics of the situation. One aspect of this interaction that is relevant to occupational stress is the degree to which there is a *fit* between the person and the situation. According to this approach, an employee perceives the work environment as stressful when there is a lack of fit (Caplan, 1987; French, Caplan, & Harrison, 1982).

The general notion of P–E Fit is rather simple but there are many ways in which fit (and misfit) between an employee and the work environment can occur. According to Kristof (1996), fit (and misfit) may indicate the degree to which an employee's skills and abilities match the requirements of the job he or she is performing. An employee who lacks the skills and abilities necessary to perform a job may feel overwhelmed and inadequate. Conversely, when job requirements are well below an employee's capabilities, the results may be boredom, frustration, and dissatisfaction. In either case, it is very likely that such an employee will perceive the job as stressful.

Demands–Control Model

A model of occupational stress that is much more limited in scope than the others presented to this point is known simply as the Demands–Control model. This model, which was proposed by Robert Karasek in the late 1970s, posits that the most stressful situations in the workplace are those in which employees face heavy job demands but, at the same time, are given little control over their work. [Karasek (1979) used the term “Job Decision Latitude” to denote control.] A good example would be the situation of a typical factory worker in the Scientific Management era. Recall from Chapter 1 that one of the major principles of Scientific Management was to provide production employees with challenging goals, usually in the form of production standards. At the same time, proponents of Scientific Management argued that these same employees should have little control over things such as the design of work methods and the scheduling of rest breaks. Factory employees during this period also had little control over the reliability of machinery or the motivation levels of their fellow employees. Most research using the Demands–Control model as a theoretical framework has examined health and physiological outcomes (e.g., Fox, Dwyer, & Ganster, 1993; Karasek, Baker, Marxer, Ahlbom, & Theorell, 1981; Perrewe & Ganster, 1989). This limits the scope of the model somewhat, although it is certainly possible that the scope of the Demands–Control model could be broadened. In fact, some research that tested the Demands–Control model has investigated psychological outcomes (e.g., Spector, 1987a). It is also worth mentioning that recent tests of the Demands–Control model have

shown that the interaction between job demands and control may be more complex than Karasek originally proposed.

14.2 Workplace Stressors

A stressor represents anything in the job or organizational environment that requires some type of adaptive response on the part of the employee. One of the difficulties in covering stressors is simply deciding which ones to describe when there are so many in the workplace.

The stressors covered in this section represent two general types: (1) those that have been commonly studied or have received considerable attention in the occupational stress literature, and (2) those that have received less attention but have more recently become the focus of attention.

14.2.1 Commonly Studied Stressors

Role Stressors in the history of occupational stress research, role stressors have been given more attention, by far, than any other Occupational Stress type. A “role” is essentially a set of the behaviours that are expected of an individual. Most people have multiple roles (e.g., parent, employee, student, and spouse), so it stands to reason that people also have multiple sets of role demands. In complex social systems such as organizations, roles serve the important function of bringing order and predictability to the behaviour of individuals (Katz & Kahn, 1978).

At a more micro level, roles help individual employees to gauge whether they are doing what they are supposed to be doing. Employees in organizations receive role related information through both *formal* and *informal* sources. In many organizations, the most common formal source of role-related information is a written job description.

Other common sources are verbal and written communications with one’s immediate supervisor. All of these formal sources may provide important information, but they may also be limited in defining an employee’s role. For example, written job descriptions are often very general and become outdated quickly. In addition, supervisors’ job knowledge may be lacking, and communication is often imprecise.

To compensate for limitations in formal sources of information, employees may look to *informal* sources as they define their organizational roles. These may include informal interactions with co-workers at the same level, as well as encounters with subordinates and with persons outside the boundaries of the organization (e.g., customers, suppliers, regulatory agencies). The term **role set** encompasses the various sources of information, formal and informal, that employees utilize in defining their roles in organizations.

14.2.2 Workload

Workload can be defined as the amount of work an employee has to do in a given period of time. When the workload is too much, it becomes a stressor.

14.2.3 Interpersonal Conflict

Most jobs require at least a minimal amount of interaction with other people (e.g., co-workers, customers, and contractors). Such social interactions are often a source of satisfaction and personal fulfilment (Nielsen, Jex, & Adams, 2000; Riordan & Griffeth, 1995). Interactions with others can also make work more stressful if **interpersonal conflict** (Keenan & Newton, 1985; Spector, 1987), defined as negatively charged interactions with others in the workplace, develops. Negative interactions can range from something as minor as a momentary dispute over a parking space to heated arguments (see Comment 7.2). At extreme levels, interpersonal conflicts may even escalate to physical violence (O’Leary-Kelly, Griffin, & Glew, 1996).

14.2.4 Work–Family Conflict

Conflict between work and family is certainly not a new stressor. In recent years, however, several trends have indicated that work–family conflict has indeed increased in importance as a stressor. For example, in the United States, more than 60% of families need day care because of parental work demands (Covey, 1997).

14.2.5 Organizational Constraints

Organizations have a vested interest in facilitating the job performance of their employees. The more effective individual employees are the more effective the organization will ultimately become. However, anyone who has worked in any organization knows that organizational conditions do not always facilitate performance. In fact, organizational conditions may even detract from or constrain employee performance. For example, it is not unusual for employees to have difficulty doing their jobs because of unnecessary rules and procedures, a lack of resources, or interruptions from fellow employees. Peters and O’Connor (1980) used the term “situational constraints” to describe a variety of organizational conditions that may prohibit employees from performing up to their capabilities. (In this section, the term **organizational constraints** are used in recognition of the fact that constraints are not always tied to specific situations.). Examples of such constraints include: (1) job-related information, (2) budgetary support, (3) required support, (4) time and materials, (5) required services and help from others, (6) task preparation, (7) time availability, (8) the work environment, (9) scheduling of activities, (10) transportation, and (11) job-related authority. For any of these categories of constraints, the inhibiting effect on performance may be due to *unavailability*, *inadequacy*, or *poor quality* (or some combination of these).

It is important to know that stress is a militating factor which can affect organizational goal and productivity. Therefore to increase productivity and beat target, factors listed above must be worked upon using various facilities psychology can provide in stress related therapy.

Question

- O _____ represents anything in the job or organizational environment that requires some type of adaptive response on the part of the employee.

Feedback

- Anything in the job or organizational environment that requires some type of adaptive response on the part of the employee is called a stressor.

Study Session Summary



Summary

In this Study Session, you discussed the approaches to and models of occupational stress. You also examined the workplace stressor and its impact on employees.

Assessment



Assessment

SAQ 14.1 (tests Learning Outcome 14.1)

Explain organizational psychology approach to workplace stress

SAQ 14.2 (tests Learning Outcome 14.2)

Workload is a form of stressor. What is workload?

Bibliography



Reading

Notes on Self-Assessment Questions

SAQ 1

1. Organizational psychology is the scientific study of individual and group behaviour in formal organizational settings.

SAQ 2

1. Personnel psychology can be defined as a general label for that aspect of industrial/organizational psychology concerned with (a) the selecting, supervising and evaluating of personnel, and (b) a variety of job-related factors such as morale, personal satisfaction, management-worker relations and counselling".

SAQ 3

1. Organizational chart is the framework, typically hierarchical, within which an organization arranges its lines of authority and communications, and allocates rights and duties.
2. The followings are the reasons why an organisational chart change:
 - i. There may be Growth or Decline and
 - ii. There may be Restructuring
3. The limitations of organizational charts:
 - i If updated manually, organizational charts can very quickly become out-of-date, especially in large organizations that change their staff regularly.
 - ii They only show 'formal relationships' and tell nothing of the pattern of human (social) relationships which develop. They also often do not show horizontal relationships.
 - iii They provide little information about the managerial style adopted (e.g. 'autocratic', 'democratic' or an intermediate style)
 - iv In some cases, an organography may be more appropriate, particularly if one wants to show non-linear, non-hierarchical relationships in an organization.
 - v It often does not include customers.

SAQ 4

1. Organizational socialization is defined as the process through which a new employee learns to adapt to an organizational culture.
2. Anticipatory socialization is characterized by an individual's fantasizing about a particular occupation, and analysing the possibility of entering the occupation at a later point in time.

SAQ 5

1. **Recruitment** is the process of searching for and obtaining sufficient number and quality of potential job seekers or applicants to enable the organization to select the most appropriate people to fill its job needs.
Selection is a process of gathering information for the purposes of evaluating and deciding who should be employed or hired for the short and Long-term interests of the individual and the organization.

SAQ 6

1. The reason for giving back to an environment where an organisation is operating includes the following:
 - i. To appreciate the community that the organisation found itself
 - ii. To guarantee their security during community crises
 - iii. As a way of advertisement.
 - iv. As a way of fulfilling contractual agreement with the entities involved in enabling a business environment Post-test.

SAQ 7

1. Understanding what motivates employees' helps us to understand the dynamics underlying such important behaviours as job performance, absenteeism, turnover, and even counterproductive behaviours.
2. The list of Maslow's need hierarchy are:
 - a. Physiological Needs
 - b. Safety and Security
 - c. Social Needs
 - d. Esteem Needs
 - e. Self-actualization

SAQ 8

1. Job satisfaction is defined as a pleasurable (or unpleasurable) emotional state resulting from the appraisal of one's job, an affective reaction to one's job, and an attitude towards one's job.
2. Factors that Influence Job Satisfaction are:
 - i. Environmental Factors
 - ii. Individual Factors

SAQ 9

1. Negotiation is a discussion among individuals to find out an alternative which takes into account the interest of all and nobody is at loss.
2. The process of negotiation starts the moment an employee gets a selection call from an organization. It is essential that the individual responsible for hiring employees negotiates well with the candidate and offers him the best salary. Every organization runs for earning profits and thus the HR

Professional must try to make the person join at the lowest possible salary but make sure you do not offer him anything less than his previous salary. He will never be interested to join. Even if he joins, he will not take his work seriously and the results would be zero. Discussions are important. Make him realize that money is not the only criteria for selecting a job. Other things like one's job responsibilities, job security as well as the brand name should also be considered.

SAQ 10

1. Decision making is the study of identifying and choosing alternatives based on the values and preferences of the decision maker.
2. There are two major approaches to decision making in an organization. They are:
 - i. **Authoritarian**
The manager makes the decision based on the knowledge he can gather. He then must explain the decision to the group and gain their acceptance of it. In some studies, the time breakdown for a typical operating decision is something like this: make decision, 5 min.; explain decision, 30 min.; gain acceptance, 30 min.
 - ii. **Group**
The group shares ideas and analyses, and agrees upon a decision to implement. Studies show that the group often has values, feelings, and reactions quite different from those the manager supposes they have. No one knows the group and its tastes and preferences as well as the group itself. And, interestingly, the time breakdown is something like this: group makes decision, 30 min.; explain decision, 0 min.; gain acceptance, 0 min.

SAQ 11

1. Symbols and artifacts are objects or aspects of the organizational environment that convey some greater meaning. In most organizations, symbols provide us with information on the nature of the culture.
An artefact is a material object that is created by people *specifically* to facilitate culturally expressive activities. An artefact is very similar to a symbol; the only difference is that artifacts represent a more direct attempt to convey cultural meaning, whereas symbols are more indirect. Symbols are artifacts that are most easily found in the physical environment of organizations. One of the most typical cultural artifacts in organizations is the physical manifestation of the major technology that is used.

SAQ 12

1. The reasons why people join groups include:
 - i A major reason is that group membership often results in some form of need satisfaction on the part of the individual.
 - ii At the present time, basic survival is not at reach of most people; thus, group member-ship often allows the fulfilment of different types of needs.
 - iii Another need that is often satisfied through group membership is the need for power.

- iv A final reason that people often join groups is that being around other people often provides comfort and support

- 2. Types of groups are:
 - i. Production groups
 - ii. Service groups
 - iii. Management groups
 - iv. Project groups
 - v. Action and performing groups
 - vi. Advisory group

SAQ 13

1. Charismatic style

Telling people what to do does not inspire them to follow you. You have to appeal to them, showing how following them will lead to their hearts' desire. They must want to follow you enough to stop what they are doing and perhaps walk into danger and situations that they would not normally consider risking.

- 2. The leadership styles are:
 - a) Autocratic
 - b) Democratic
 - c) Laissez-Faire

SAQ 14

- 1. The **organizational psychology approach** to occupational stress is characterized by a number of distinctive features. For one thing, this approach tends to focus on what were previously defined as *psychosocial* sources of stress in the workplace. This implies two things.

First, this approach tends to focus heavily on **cognitive appraisal**, or the process by which employees perceive the work environment and decide whether it is stressful. Second, as was pointed out earlier, this approach tends to focus on sources of stress that emanate from interactions with others (e.g., they are social in nature). Another distinguishing feature of this approach, as compared to the others, is that researchers tend to be interested in the impact of occupational stress on employee outcomes that directly impact organizational effectiveness.

- 2. Workload can be defined as the amount of work an employee has to do in a given period of time. When the workload is too much, it becomes a stressor.

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Robert Harris, Version Date: December 2, 2009