

Industrial Psychology

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Industrial Psychology

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Invertis Institute of Management Studies
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*My wife Beena
who stood by me in all adversaries*



Preface

The job market has undergone drastic changes in the past couple of years due to globalisation impacting the job profile of managers and leaders. Managers today have the daunting task of retaining the employees to beat their competitors and to retain an edge. Therefore, new and ever-changing challenges notwithstanding, application of industrial psychology continues to be crucial for the success of organisations.

This book is an introductory text on industrial psychology aimed primarily at undergraduate and postgraduate students. The readers will find it rich in theoretical content as it is an outcome of my experience of teaching at various colleges in the country. I have often felt that existing textbooks on industrial psychology are not synchronised with the expectations of the Indian reader. Effort has been made here to have as many India-centric examples as possible.

Format for Study

The text is designed with ‘SQ3R’ study format as its core. ‘SQ3R’ stands for the five steps in effective reading and learning. ‘S’ represents ‘survey’, ‘Q’ represents ‘question’ and ‘3R’ is for ‘read’, ‘recite’ and ‘review’. The steps of SQ3R are inbuilt in each chapter.

This research-tested approach will help the students identify significant ideas rapidly as well as understand, remember and review them effectively for examinations. As a result, the students will learn more about industrial psychology easily and perform better. It is recommended that the teacher and the students being taught go over these steps together.

Key Features

The book is introductory in nature and has been divided into four units. Unit 1 touches upon the theoretical aspects of industrial psychology, its relations with other sciences and theories. This is to establish the need for a student to study this subject. Unit 2 analyses the factors that influence an individual at workplace. It entails four chapters on Motivation and Job Satisfaction; Stress Management; Organisational Culture; and Leadership and Group Dynamics. Unit 3 deals with the work environment and its effect on an individual. It has chapters on Maintaining Healthy Environment; Job Analysis; and Recruitment and Selection—Reliability and Validity of Recruitment Tests. Unit 4 of the book includes chapters on Performance Management; and Training and Development. The examples used in the book are India centric.

At the end of the book, cases have been provided (each case relating to a particular chapter) to emphasise the application of the concepts discussed in the text to real-life situations. Glossary has also been provided at the end of the book for quick reference of various concepts and terminologies. In addition, the book also includes bibliography at the end for the benefit of the students.

The companion website of the book provides PowerPoint slides to give a brief and quick review of the chapter.

I hope that this book will prove to be useful to the students pursuing psychological studies with Indian perspectives. Any suggestions for the improvement of this text will be most welcome.

NARENDAR SINGH



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This book is an outcome of friendship, loyalty, and believe in colleagues. No journey is easy; no friendship is filled only with happiness. I acknowledge the contributions made by my students, which are included in this book. The learning has always been a two-way process for me.

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Unit 1

Introduction to Industrial Psychology



Chapter 1

Introduction to Industrial Psychology—Definitions and Scope

LEARNING OBJECTIVES

After reading this chapter, you will be able to understand:

- Birth of industrial psychology
- What is industrial psychology
- Scope of industrial psychology
- Major fields of industrial psychology
- Basic concepts of industrial psychology
- Is industrial psychology a science?
- Psychological tests
- Application of industrial psychology
- Importance of industrial psychology
- Place of industrial psychology among other social sciences
- Industrial psychology in India

INTRODUCTION

Psychology deals with the study of human behaviour. *Industrial psychology* primarily is the application of the Principles of Psychology to the problems of men working in industry. It originated in the first half of the twentieth century, when basic psychological knowledge and principles were applied to the personnel selection process during World War I. Subsequently, the use of generic psychological theory and research spread to industry, commerce and, the public sector, and extended beyond selection to leadership, motivation, attitudes, job satisfaction, learning and training and performance behaviour.

WHAT IS INDUSTRIAL PSYCHOLOGY?

Industrial psychology is concerned with people's work-related values, attitudes and behaviours, and how these are influenced by the conditions in which they work. The term 'Industrial Psychology' is a combination of two words 'Industrial' and 'Psychology'. *Industrial* is the part of social life whose function is to provide civilised man with material goals that his condition of life demands. *Psychology* is the science of behaviour in relation to environment. Thus, industrial psychology is the systematic study of the behaviour of the people at work. It studies how the social, industrial, economic, political and other factors affect the behaviour of the people at work. According to C.S. Myres, 'The aim of industrial psychology is primarily not to obtain greater production or output but to give the worker greater ease at his work'.

Industrial psychology is the branch of psychology that applies psychological theories and principles to organisations. The field focuses on increasing workplace productivity, as stated by Myres above, and related issues, such as the physical and mental wellbeing of employees. An industrial psychologist performs a wide variety of tasks, including studying worker's attitudes and behaviour, evaluating companies and conducting leadership training.

How is industrial psychology referred to in various countries?

One source of confusion is that industrial psychology has a number of names. Though in the UK and the USA, the established term, industrial psychology, is still used, the newer label in the USA is *Industrial/Organisational Psychology* (or I/O Psychology, for short) and in the UK, it is often called *Occupational Psychology*. But this term is uncommon in most other countries. Throughout Europe, *Psychology of Work and Organisation*; and *Work and Organisational Psychology*, are increasingly being used. Just to confuse things further, some specific parts of the field are given labels like *vocational psychology*, *managerial psychology* and *personnel psychology*.

The differences between these labels do mean something to the people who work in this field, but should not unduly worry us. In the UK, the label *occupational psychology* is most commonly applied to the first (Industrial aspect), and organisational psychology to the second (i.e. Organisational aspect) (Blackler, 1982). But many psychologists in the workplace regularly cross this rather artificial boundary. In India, we use the term *industrial psychology* because of its simplicity, and also because, to us, it encompasses both the individual and organisational levels of analysis.

Aim of Industrial Psychology

What is the aim of Industrial Psychology?

Bernard Muscio, in an early series of lectures, commented that industrial psychology aimed to serve 'The general aim of industry to produce the material goods required by civilised man in the most economical manner possible' (Muscio, 1917, p. 26). This would be achieved by using '..... psychological knowledge (a) in selecting workers on the basis of natural fitness, and (b) in constructing good methods of work, for the purpose of obtaining from any expenditure of human energy or effort a maximum production' (Muscio 1917, p. 27). These two areas clearly involve attempts to find the 'best' workers and to design the 'best' methods of work.

To C S Myers, the aim of Industrial Psychology is primarily not to obtain greater production or output but to give the worker greater ease at his work.

Birth of Industrial Psychology

Industrial psychology is the most recent application and the youngest of Natural Sciences. It developed as a separate field of psychology after Dr. W D Scott spoke about the possibilities of using psychological principles to the field of advertising. He published many papers on the application of principles of psychology to the fields of business and industry. However, the first major work on the application of principles of psychology in industry was published by Hugo Munsterberg, titled '*The Psychology of Industrial Efficiency*' in 1913. He conducted research in real world work situations and workplaces, with the goal of improving on-the-job efficiency. Industrial psychology grew as the industry soon realised the importance of humans in its growth, productivity and achievement of organisational goals. George (1974) states that 'Materials and machines are inert factors, but man with his ability to feel, to think, to conceive, and to plan is by far the most valuable and, at the same time, the most difficult element to inspire, control and motivate.' Industrial psychology evolved rapidly to improve performance, productivity and revolutionised the workplace within the last century.

How did Industrial Psychology evolve?

Branches of Psychology

Educational Psychology makes special studies of behaviour related to the process of learning and education.

Developmental Psychology studies how various forms of behaviour develop and grow in time as man grows.

Social Psychology studies the influence of other people or groups on an individual's behaviour.

Counselling Studies study the facts about abnormal behaviour and their treatment.

Experimental Psychology uses the experimentation as a method of studying behaviour.

Psychometrics concerns mainly with the accurate description and measurement of psychological characteristics of human beings.

Personality Psychology attempts to build a comprehensive picture of human personality.

Industrial Psychology calls for application of the facts and principles of psychology to the behaviour of man working in the industry.

Workplace is a social system; the application of industrial psychology is useful in understanding its complexity. For years, psychologists have studied how human beings have interacted with their environments and each other, but industrial psychology begins to evaluate the interaction between people and their jobs. Industrial psychologists can be used to improve job satisfaction as well as company productivity. It is becoming vital to the success of organisations.

The purpose of Industrial Psychology is 'to enhance the dignity and performance of human beings, and the organisations they work in, by advancing the science and knowledge of human behaviour' (Rucci, 2008).

What is the purpose of Industrial Psychology?

Definition

Industrial Psychology is the study of people at work. It deals with behaviour, aptitude and reaction to various jobs and interaction. Thomas W. Harrell (1964) defines industrial psychology as:

Tidbits**What is a Psychometrician?**

"A practitioner of psychometrics; an individual who normally holds a doctoral degree in measurement or a discipline of psychology (such as educational or industrial/organisational psychology), who can understand, apply, and describe the science and technology of mental measurement."

Durley (2005)

'Industrial psychology is the study of people at work in industry, and in business. It is the study of their aptitudes and their qualifications for jobs.'

Industrial psychology could be defined as:

'The application of psychological principles and facts to the problems concerning human beings; working (or operating) in industrial, business, service and research organisations.'

According to Tiffin and McCormick, *'Industrial psychology is concerned with the study of human behaviour in those aspects of life that are related to production, distribution and use of goods and services of our civilisation'*.

Scope

What is the scope of industrial psychology?

From the definitions it may be observed that the objective of industrial psychology is to apply the principles of psychology to get the best out of the human employed in the industry. McCollom prepared a list of elements, identifying their scope after interviewing many psychologists. His list included *personal selection, personal development, and human engineering, productivity studies to ease fatigue, prevention of accidents, and labour relations*. However, this scope also limits itself as it does not garner enough to assist in determining the future courses, hence, taking all factors together, the suggested scope is:

- (a) **Consumer Behaviour:** Consumer psychology and marketing strategies, consumer research, cross culture studies, consumer typologies, social stratification, families, group communication, consumer decision making, selection and evaluation of alternatives. Store choice and purchase, post-purchase behaviour, market regulation.
- (b) **Ergonomics:** Physical facilities for humans to ease their work. Combining humans and technology to optimise results and efficiency.
- (c) **Human Resource Development/Management:** It includes analysing the training needs, evaluation, presentation of training and interpersonal and organisational management of human resource development. These have to be combined with individual and organisation goals, personnel policies, purveyance and development.
- (e) **Labour Laws and Relations:** Contract of employment, statutory conditions, dispute resolution, etc., labour relations perspectives, parties involved in labour relations, etc.
- (f) **Occupational Psychology:** Forming of concepts, cognitive development, problem solving, creativity, moral development, needs and motives, identity and self concepts, worth and wisdom, career models, career development, early, middle and late career issues and supporting systems of managing career.
- (g) **Organisational Psychology:** Personality, working values, cultural diversity, working motives, management motivation, working design and organisational leadership. Group behaviour, team work, behaviour, organisational power and politics, organisational change and effectiveness.

Tidbits

Content Area of Industrial Psychology as per American Psychologist Association

American Psychologist Association, Division of Industrial Psychology, The Psychologist Industry, Washington, D.C., 1959, cited seven major areas which comprised the content area of industrial psychology. These were:

1. Selection and testing
2. Management development
3. Counselling
4. Employee motivation
5. Human engineering
6. Marketing research
7. Public relations research

Industrial psychology can be used to reduce counterproductive behaviour, enhance team effectiveness, and boost morale. It is also valid in conflict resolution. Many individuals find the brunt of their work dissatisfaction rooted in their relationship with managers and colleagues; Industrial psychology provides solution to this problem.

GROWTH OF INDUSTRIAL PSYCHOLOGY

Industrial revolution brought about the most dramatic change in work processes in history. There has been a radical change in last fifty years due electronics based computer technologies. This has also transformed the production processes and the service sector in industry.

Figure 1.1 depicts the difference between old and new career paradigm of workforce. There are still a large number of firms that operate under the old paradigm, but ideas and beliefs are changing.

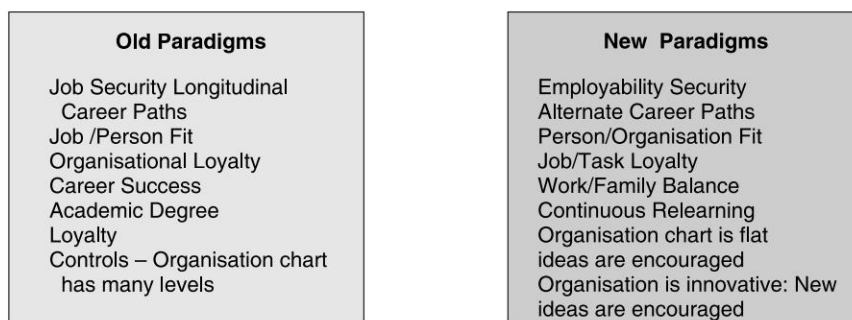


Figure 1.1 Workforce—Changing Career Paradigms

MAJOR FIELDS OF INDUSTRIAL PSYCHOLOGY

Arnold, Robertson & Cooper (1991, p. 32) suggested 12 different areas in which they work. The major fields of industrial psychology include:

- **Selection, Assessment and Personnel Psychology:** It deals with job analysis, tests, employment interviews, e-selection and training, supervision of people in business and industrial settings and human factors for all types of jobs by a variety of methods.
- **Training:** It determines training needs and evolves training programme to meet the needs.

What are the major fields of study of Industrial Psychology?

- **Performance Appraisal:** It defines and measures job performance, performance appraisal, and provides training in appraisal techniques.
- **Organisational Change:** It pertains to the analysis of the organisation for change due introduction of new technologies and processes.
- **Ergonomics and Human Engineering:** It involves the application of human performance principles, models, measurements, and techniques to systems design. The goal of engineering is to optimise systems' performance by taking human physical and cognitive capabilities and limitations into consideration during design.
- **Vocational Choice and Counseling:** Analysis of person's abilities, interests and values and their translation into occupational terms.
- **Interpersonal Skills:** It involves identification and development of skills such as leadership, assertiveness, team work etc.
- **Occupational Safety and Health:** It examines the cause of accidents and the measures to reduce their frequencies.
- **Managerial Psychology:** It is concerned with problems of management in industry.
- **Work Design/Consumer Psychology:** It studies the numerous factors of relationship between an organisation that provides goal or services and the individuals who are the recipients thereof—the consumer.
- **Organisational Psychology:** It deals with total functioning of a company, or any type of organisation for that matter, including attitude survey.
- **Stress and Wellbeing at Work:** It involves investigation of factors that lead to stress at work and unemployment.

Lowenberg and Connard (1998) suggest slightly different areas based on a survey of the working American psychologists:

- (a) **Organisational Development and Change:** Studying structure, its roles, and its impact on productivity and satisfaction.
- (b) **Individual Development:** Training, performance management, mentoring, managing stress, and counselling.
- (c) **Performance Evaluation and Selection:** Developing assessment tools for selection and performance evaluation.
- (d) **Preparing and Presenting Results**
- (e) **Compensation and Benefits:** Developing criteria and measuring accomplishments.

BASIC CONCEPTS OF INDUSTRIAL PSYCHOLOGY

What are the basic concepts of Industrial Psychology?

Industrial psychology studies causation of behaviour. All activities of human beings, whether simple or complex, are not random but are brought about by some stimulating factor. Psychology is actually an attempt to isolate these stimulating factors which cause specific types of behaviour.

Activities of human beings in industry/workplace, whether simple or complex, primarily cover seven areas: personnel selection, training, performance appraisal, leadership, work motivation, work attitudes, and organisational issues. These can be broadly grouped into three areas, viz., *Individual, Relations in a Group and Environmental Conditions* impacting efficiency.

- (a) **Individual:** Industrial psychology treats each individual distinctly and states that there are major differences between two individuals. Here we ask how we can find men whose mental qualities make them best fitted for the work which they have to do. Secondly, under what psychological conditions

can we secure the greatest and the most satisfactory output of work from every man. Finally, how can we produce most completely the influences on human minds which are desired in the interest of business.

- (b) **Relations in Group:** The fundamental nature of work and organisations is changing at an unprecedented rate. Corporations are ‘flattening out’ by eliminating layers of management, increasing employee responsibilities, and restructuring themselves in previously unheard of configurations. Specialisation has become the order of the day. The organisations are performing on group and team dynamics. One of the emerging trends is that fewer individuals are appointed on higher positions and team or group leaders are determined based on the objectives to be achieved. Employee empowerment is achieved by allowing employees and managers to work in group or team-oriented environment. Lower level employees are allowed a voice in how the product should be made and the ways to improve it (Quality Circles, etc.). This empowerment often extends to equipment, safety, policies, and self-management. Quality circles and self-managed work teams are just two of the more common names used to describe work groups that meet to discuss quality related issues and implementation of continuous, work improvement programmes. The challenge to be faced is the diversity of the workforce in the globalised economy. The internal dynamics of behaviour have to be considered.
- (c) **Environmental Conditions:** These are the factors that an organisation creates for an employee to perform at his optimum. They include both tangible, like light, placing of equipment, etc. (human engineering/ergonomics), and intangibles, like relationships, management attitudes, etc. (Organisational psychology).

CHARACTERISTICS OF INDUSTRIAL PSYCHOLOGY

- **Systematic study.** Industrial psychology is the systematic study of human behaviour concerned with collecting information regarding human behaviour at work. What are the different factors which affect the work of an individual? Either they are personal or are related to work conditions.
- **Research.** Industrial psychology is not concerned with administration. It is part of research. The information gathered from work should be implemented. Personnel administration is the application of such research.
- **Functional/Applied.** It is concerned with the application of information about human behaviour to the various problems of industrial human life.
- **Human engineering.** It studies the varied methods of performing manual operations for better utilization and least waste of effort through human engineering.

What are the major characteristics of Industrial Psychology?

METHODS OF INDUSTRIAL PSYCHOLOGY

Industrial psychology is the application of psychological facts and principles to the problems concerning people working in industry or in business organisations. Industrial psychology not only uses experimental methods, it also uses other methods, such as survey, interview and the questionnaire method.

What are the methods used in Industrial Psychology?

Industrial Psychological Tests

Psychological tests are carefully developed instruments, following standardised and often intricate procedures. These tests meet the criteria of validity and reliability and are objective, easily interpretable and standardised (Kaplan and Saccuzzo, 2005).

What are Industrial Psychological Tests?

What is Validity?

Validity The accuracy, or usefulness, of a test is known as validity. The validity of a test is expressed as *coefficient of correlation*, in which test score is correlated with some performance criteria. The validity could be a *construct validity*, which refers to ability of the test to measure the psychological construct that it was designed to measure. *Content validity* refers to the ability of a test to sample adequately the broad range of elements that compose a particular construct. *Criterion related validity* refers to the ability of a test to predict someone's performance on something.

What is Reliability?

Reliability/Consistent Reliability is the degree to which people earn the same score each time they are measured, or the ability of a test to give consistent results. Reliability is expressed as *coefficient of reliability*, usually determined by repeating the tests to a group of subjects more than once and then correlating scores. If the tests show same/similar results, the coefficient of reliability is high. A test of coefficient of reliability less than 0.80 is regarded as not satisfactory. Reliability of a test is of two types. *Internal consistency reliability* refers to how well all test items relate to each other. *Test-retest reliability* refers to how well results from one administration of the test relate to results from another administration of the same test at a later time.

It should be remembered that without reliability there can be no validity.

What is Objective in Industrial Psychological Tests?

Objective A test can be considered objective when the respondent is unaware during testing of the way in which his behaviour would influence the interpretation of the test (Yvonne, 1988). Objectivity depends upon the test of the behaviour of the respondent and not on the actions of the examiner (Flippo, 1976, pp. 262-263). A test is considered to be objective when the examiner can easily determine the correctness of the answers of the respondent, for example, when the test can be marked with a marking key (Flippo, 1976, pp. 262-263). Objectivity will always remain an important factor, especially when the results play a determining role in the selection and placement of personnel. It must always be remembered that the objectivity of a test is not an all-or-nothing principle, and perfect objectivity is ultimately only utopian (Flippo, 1976, pp. 262-263). Objectivity can be maximised by (Yvonne, 1988, p. 111):

- (a) Defining observations clearly during testing
- (b) Where possible, committing observations to figures
- (c) Making use of measuring instruments and/or scales to ensure that observations are accurate
- (d) Handling results according to stipulated methods

Why is interpretable important in Industrial Psychological Tests?

Easily Interpretable Tests should consist of items that are easily interpretable, both for the person undergoing the test and the person assessing. There should be no ambiguity. The test should be easily converted into mathematical model to analyse results.

Why is standardised important in Industrial Psychological Tests?

Standardized A test should be standardised, and should have the ability to be administered to a large group of persons under standard conditions. The test should be conducted to obtain norms or standards so that comparison can be made.

IS INDUSTRIAL PSYCHOLOGY A SCIENCE?

Industrial Psychology is a science. Wexley and Yukl (1984) cited eight essential characteristics of scientific approach:

1. **Self correcting:** These are built-in checks all along the way to obtaining scientific knowledge.
2. **Empirical:** Perceptions, beliefs and attitudes are carefully checked against objective reality.
3. **Open to public inspection:** Procedures can be replicated and results tested.
4. **Objective and statistical:** Data is not biased, and certain level of confidence can be placed on it.

Steps in Psychological Test Development

Validity and reliability are basic and important for psychological testing:

Step 1. Planning: The test constructor must ask “What am I going to test?” “Am I going to test any specific ability, aptitude, personality trait or proficiency?”

Step 2. Listing Behaviours: The test constructor must list behaviour through which the functions under test may manifest.

Step 3. Test Item Construction: Writing test items is only exploratory stage of test construction. Formulate and clarify instructions to judges, to ensure the item evokes the kind of response desired.

Step 4. Try Out: The test should be tried out on the group of subjects who are representative of the population for which the test is being constructed. The test should be close to the final form and the number of items should be three to four times greater than the final form.

Step 5. Item Analysis: Reliability and validity of a test rests on the characteristics of the items making up the tests. Item analysis follows only when the test has been administered to the standardisation group and the data collected and treated by utilising various statistical procedures. Test constructor has two objectives of analysis, (a) *Difficulty*—to determine the difficulty of each individual item in terms of passing/failure in items, (b) *Discriminative value* of each item whether the item is really measuring the psychological function for which it is constructed.

Step 6. Item Selection: Once the item analysis of the test is done and the soundness of the items and their discriminative values are determined by utilising various statistical procedures, the constructor asks, “How to utilise such information concerning test items and how to select these items, which can be included in the nest or the final form of the test?”

Step 7. Organising the Tests: The next obvious step is to organise the selected items into a reasonably administrable format and to develop an appropriate and fool proof system of scoring the test.

Step 8. Final Form: This step involves giving test to stratified representative sample of subjects who represent population for which the test is intended. This sample is called standardisation sample in psychological testing. Results obtained will provide statistical data for each individual item, and the analysis can be made to ascertain reliability and validity.

Tidbits

Major Changes in Pattern of Work In Post Industrialised Societies

Handy (1985), in the book titled *The Future of Work*, noted eight major changes in the pattern of work in post industrialised countries:

1. A full employment society was becoming part employment.
2. Manual skills were being replaced by knowledge as the basis of work.
3. Industry was declining and services growing.
4. Hierarchies and bureaucracies were being replaced by networks and partnerships.
5. One organisation careers were being replaced by networks and partnerships.
6. The ‘third stage’ of life (post employment) was becoming more and more important.
7. Sex roles at work and at home were no longer rigid.
8. Work was shifting southwards, inside countries and between countries.

5. **Controlled and systematic:** Researchers rule out alternatives systematically.
6. **General theories:** The conceptual framework leads to future research and new hypotheses.
7. **Test hypothesis:** Tentative propositions amongst various phenomena are evaluated.
8. **Aims to explain, understand, predict and change:** Only through explanation and understanding does an industrial psychologist solve organisational problems.

From the above it can be seen that industrial psychology meets the eight criteria as enunciated by Wexley and Yukl (1984). Hence, it can be safely stated that industrial psychology is a science.

IMPORTANCE OF INDUSTRIAL PSYCHOLOGY

What is the importance of industrial psychology?

Industrial psychology considers not only the people, but also the context within which they work. The focus on individuals is a unique perspective in an environment where management is primarily concerned with the success of the organisation as a whole. Instead, industrial psychologists try to understand people within the context of the place they work.

Furthermore, industrial psychology is grounded in *science*, focusing on testing and evaluation with quantitative methods. This is not the same as using simple intuition or trying new things until something works. Our methods are studied with scientific precision and backed by theory and statistics. We'll learn more about some of this in our next lesson.

Finally, there are many reasons for organisations, now and in the future, to be interested in the social and psychological processes in order to better understand how their organisations and the people in them work, and to make their organisations more productive and competitive. For example, companies are beginning to compete on a global scale more than ever before. Therefore, it is important to know how to motivate workers for ultimate productivity and efficiency. Many companies have an increasingly diverse workforce. Knowledge about how to best manage the social and psychological complexity of working with members from diverse backgrounds is a key to success of these organisations.

DIFFERENCE BETWEEN INDUSTRIAL PSYCHOLOGY AND OTHER RELATED DISCIPLINES

While other disciplines study or are involved in the application of programmes and research similar to that studied and implemented by industrial psychologists, the range of topics studied and actively pursued by the latter is larger, encompassing issues studied by members of the field of human resource management (HRM) as well as social psychology and business management. If we take a look at the Table 1.3, we can see how the industrial psychology overlaps with other related disciplines.

INDUSTRIAL PSYCHOLOGY'S PLACE AMONG OTHER SOCIAL SCIENCES

Industrial psychology is multidisciplinary. Psychology needs to take into consideration many sociological, economic, political, idiosyncrasies, so often researched by psychologists. Hence, Industrial psychology is a mix of many borrowed ideas, concepts and methods from Economics, Psychology and Sociology.

Figure 1.4, adapted from Robbins, illustrates the relationship between various social sciences and industrial psychology.

From Fig. 1.4, it can be seen that Industrial Psychology studies the same things as psychology, sociology, political science and economics. There is no neat demarcation and hence a large number of ideas and

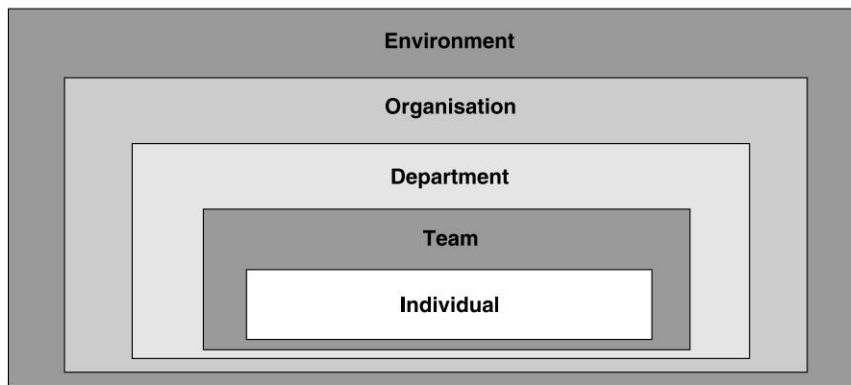


Figure 1.2 *Scope of Industrial Psychology*

Field Industrial Psychology	Field of other Related Disciplines
Job Analysis	Human Resource Management
Selection and Placement	
Training	
Performance Appraisal	
Motivation and Attitudes	Social Psychology
Leadership	
Organisational Culture and Climate	Business Management
Organisational Development	

Figure 1.3 *Difference between Industrial Psychology and other Related Disciplines*

concepts are common. Hence, these academic social disciplines continue to contribute towards industrial psychology.

INDUSTRIAL PSYCHOLOGY AND INDIA

Psychology, as an independent subject at post graduate level, was first started in India in 1916 in Calcutta University under the direction of Dr N N Sengupta, who received his doctoral training under Hugo Munsterberg at Harvard. The undergraduate course at Calcutta University was added in 1920. *Calcutta University Section of Applied Psychology* was the only pre-war attempt at setting up institutional facilities for conducting research on guidance and mental testing problems in the field of education. In 1947, the last year of the British occupation of India, only three universities out of the twenty one had independent departments of psychology. Since 1947, however, university teaching in psychology has expanded.

Today, industrial psychology forms part of the training programmes of every Indian university offering psychology courses.

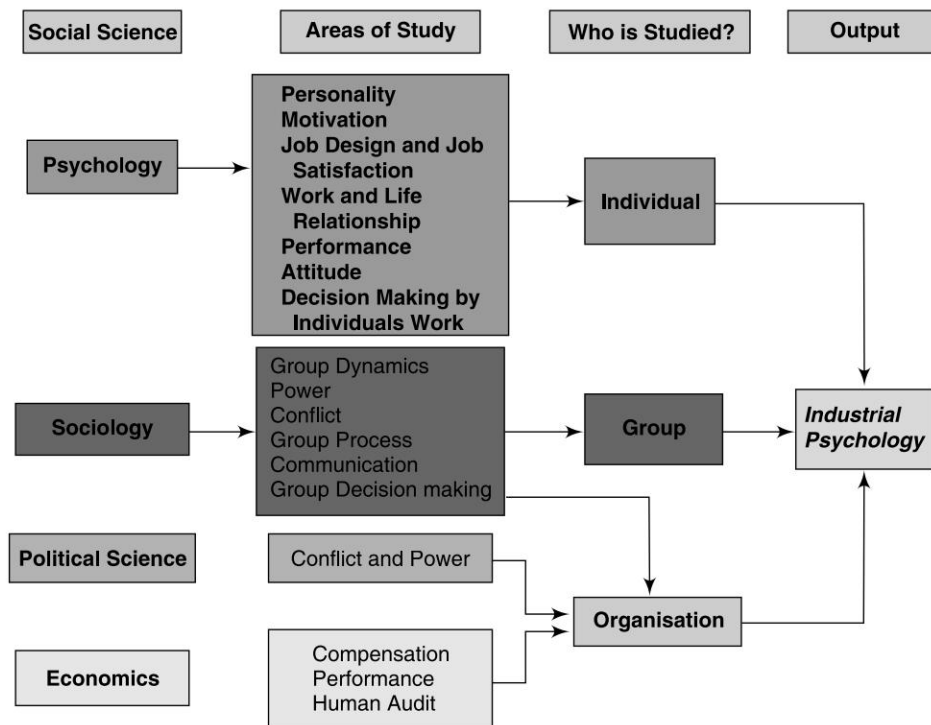


Figure 1.4 *Relationship between Social Science and Industrial Psychology*

EXERCISE

REVIEW QUESTIONS

1. When did industrial psychology originate? What were the aims enunciated by Bernard Muscio that industrial psychology was required to serve?
2. What is industrial psychology? Define industrial psychology.
3. McCollom prepared a list of elements identifying the scope of industrial psychology after interviewing many psychologists. Write a short note on scope of industrial psychology.
4. Is industrial psychology a science? Discuss.
5. What is the reliability and validity in psychological testing. Define the terms. What is their importance? Discuss.
6. Write a note on the place of industrial psychology amongst other social sciences. Also, elaborate the differences between industrial psychology and other related disciplines of human resource management, social psychology and business management.
7. Elaborate the scope of industrial psychology.
8. Discuss the historical development of industrial psychology.
9. American Psychologist Association, Division of Industrial Psychology, The Psychologist Industry, Washington DC, 1959, cited seven major areas that comprised the content area of Industrial Psychology. What are these areas?

FILL IN THE BLANKS

1. Industrial psychology is concerned with people's work-related _____, _____ and behaviours, and how these are influenced by the conditions in which they work.
2. Industrial psychology studies causation of _____.
3. Industrial psychology is referred to as _____.
4. Industrial psychology considers not only people, but also the _____ within which they work.
5. _____ or human engineering is a field in which industrial psychologists have contributed significantly.
6. Industrial psychologists help in _____ and, in turn, in designing a rational wage structure.
7. _____ should consist of items that are easily interpretable both for the person undergoing the test and the person assessing.
8. Industrial Psychology is the systematic study of the _____ of the people at work.
9. *The Psychology of Industrial Efficiency* is a book written by _____.

PROJECT WORK

Visit a factory in your neighbourhood and study the difference in approach towards job of a person around 25 years of age; and of people around 40 years, and older generation of people of age 55 years and above. List out the major differences towards work and present the same in class.

ANSWERS TO FILL IN THE BLANKS

- | | | |
|----------------------|---------------|---|
| 1. Values, attitudes | 2. Behaviour | 3. Industrial/Organisational Psychology |
| 4. Context | 5. Ergonomics | 6. Job evaluation |
| 7. Testsq | 8. Behaviour | 9. Hugo Munsterberg |

Chapter 2

Scientific Management, Human Relations Schools and Hawthorne Experiments

LEARNING OBJECTIVES

After reading this chapter, you will be able to understand:

- What is scientific management
- Time and motion study
- Taylor's four principles of management
- Human relations
- Hawthorne Studies and its importance
- Democratic humanism
- Theory Z
- The quality of work life paradigm

INTRODUCTION

Increasing productivity has always been the objective of management. Over a period of time, there have been thinkers who have studied work to improve the working conditions of men, as also increase their efficiency and production.

SCIENTIFIC MANAGEMENT

Frederick Winslow Taylor (1856–1915), a United States engineer and consultant, devised a system called *scientific management*, a form of industrial engineering that established the organisation of work. Scientific management theory arose, in part, from the need to increase productivity to meet the demands of the growing market. In the United States especially, in 19th century, skilled labour was in short supply due expansion of industry, and the only way to expand the productivity was to raise the efficiency of workers. Therefore, there was hectic activity in this area. Frederick W. Taylor, Henry Gantt and Frank and Lillian Gilbreth devised the body of principles known as *Scientific Management Theory*.

Taylor's importance as the leader of the movement which has been given the world work-study, piece-rate schemes, and time and motion study has to be set in historical context. Taylor was an experienced engineer who had interest in and knowledge of machine. He wanted to see the machines being used to their optimum for which he wanted efficiency from the individuals working on them. Taylor (1926) stated, "We can see our forests vanishing, our water powers going to waste, our soil being carried by floods into the sea. But our larger wastes of human effort are less visible, less tangible, and are very vaguely appreciated."

Scientific management (also called *Taylorism* or the *Taylor System*) is a theory of management that analyses and synthesises workflows, with the objective of improving labour productivity. The core ideas of the theory were developed in the 1880s and 1890s, and were first published in his monographs, *Shop Management* (1905) and *The Principles of Scientific Management* (1911). He set out to show, by a study of people actually working, that there was preventable loss of efficiency, and the way to prevent this waste was to study a business as a scientific problem and find out its laws, rules and principles. The objective of management should be to develop every branch of the business to its highest state of excellence. His observations of an organisation showed him that workers of all grade learned the details of their work by watching those more proficient. While many of them with practice developed a commendable copy of the original, they often consciously or unconsciously adopted many unnecessary and faulty movements, some of which might be harmful in the long run to the worker, or might prevent him from attaining his maximum output.

Taylor maintained that better method might exist and that there was only one way to discover it, namely, by accurate analysis of all methods and implements in use, together with accurate, minute motion and time study.

Time Study

To scientifically determine the optimal way to perform the job, Taylor performed experiments that he called 'time studies'. These studies were characterised by the use of stop watch to time a worker's sequence of motions, with the goal of determining the one best way to perform a job.

Loading of Pig Iron Study Taylor's experiments with loading a pig iron are now classic. Taylor watched workers moving pig iron and noted their movements which were—stoop, pick up a pig, walk a few feet to the truck, throw or place it on the truck, return to the pile of pig—this sequence being repeated again and again. Each man could handle about 12½ tonnes per day. Taylor then selected 75 men who seemed physi-

cally able to do more. He induced them by promise of increased wages to do exactly as they were told. So, all day long, when they were told to pick up a pig they did, when they were told to rest they did. By 5.30 p.m., some of them had loaded 47½ tonnes. Not all workers were capable of moving 47½ tonnes per day, only one-eighth of the pig handlers were capable of doing so. While they were not extraordinary people who were highly prized by society, their physical capabilities were well suited for moving pig iron. This example suggests that the workers should be selected according to how well they are suited to a particular job.

The Science of Shoveling Taylor next turned his attention to tools. He found that the weight of shovels used varied, but not in relation to the work for which they were used. Taylor again selected some good workers, paid them extra, and then timed how long it took a labourer with the right type of shovel to push it into a pile of material and draw it out properly loaded under different circumstances. Taylor found that the optimum weight a worker could lift in a shovel was 21 pounds. Since there was a wide range of densities of materials, the shovel needed to be sized so that it could hold 21 pounds of the substance being shoveled. The firm, thus, provided the optimal shovels. The result was a three-to four-fold increase in the productivity of workers. Prior to these studies, the workers used their own shovels and rarely had the optimal one for the job.

The result was that the number of men required was reduced, resulting in reduced cost to the company, although individual workers received more wages.

Motion Study

Gilberth began the process of systematically studying the motions. He introduced the subject in his book as, “the motion study in this book is but the beginning of era of motion study that will eventually affect our method of teaching trades. It will cut down production costs and increase the efficiency and wages of the workers.....To be pre-eminently successful: (a) a mechanic must know the trade, (b) must be quick, motioned, and (c) must use the fewest possible motions to accomplish the desired results” (Gilberth in Spriegel & Meyers, 1953). “Motion study consists of dividing work into the most fundamental elements possible, studying these elements separately and in relation to one another, and from these studied elements building the methods of least waste”, said Frank Gilbreth.

Tidbits

Therblings

Frank B. Gilbreth and his wife Dr. Lillian M. Gilbreth studied the various movements of the limbs of a brick-layer and classified bodily movements into basic elements, called *therblings* (a term coined by spelling Gilbreths backwards). The therblings are listed below:

1. Search; 2. Find; 3. Select; 4. Grasp; 5. Transport Loaded; 6. Position; 7. Pre-position; 8. Assemble; 9. Use; 10. Inspect; 11. Disassemble; 12. Release Load; 13. Transport Empty; 14. Rest for Overcoming Fatigue; 15. Unavoidable Delay; 16. Avoidable Delay; 17. Plan; and 18. Hold

Bricklaying Frank B. Gilberth, by means of adjusting scaffold to prevent stooping, by rearranging the mortar box and pile of bricks, and having the bricks sorted by labourer and placed with the best edge up, etc., reduced the movements from 15 to 8. He then trained his bricklayers to make movements with both hands at a time and introduced simple apparatus to do away with ‘tiresome and time consuming motion’. The result was that the trained worker was able to lay 350 bricks per hour against the previous 120. Gilberth analysed the work into a series of elementary operations or movements, each of which he timed, and noted those that served no useful purpose and these he eliminated. Gilberth compared various workers, not only with regard to the total time to complete an operation, but also the time for each movement forming part of the whole operation. He observed that there were considerable individual differences, so he conceived the idea of taking the shortest time in which each movement could be done in combining them to standard time.

Mrs Gilberth described *Motion Study* as:

- (a) A philosophy of work, in as much as it is interest in looking for the causes of effectiveness of work. Production cannot stand alone, it must think back to design and raw materials, and forward to final use;
 - (b) An attitude of mind, since all activity is a combination of motions, it must be efficient and productive and the work must give satisfaction;
 - (c) A method and a technique, i.e., it shows how best to perform the activity.
- The time and motion studies basically concern themselves with:
1. The details of the processes that are external to the actual activity, namely
 - (a) The tools and materials used, which should be properly prepared and adequately placed;
 - (b) The regularity of supplies; and
 - (c) The sequences from beginning to end, which should be done in minimum time.
 2. The movements made by the worker dealing with the materials. The study of movements, which is often looked upon as the whole system, is simply the psychology of habit formation.

Principles of Motion Economy

1. **Symmetrical movement.** Movements of two hands are simple when symmetrical. Motion expert capitalises on it and uses paired movement, wherever possible.
2. **Accessible work space.** The person should have all necessary tools and items required for production within accessible limits so that he is able do least movement.
3. **Rhythm.** Rhythm is important in patterning and combining movements into behavioural sequence. The job should be arranged to fit natural rhythm.
4. **Distribution.** The amount of energy and movement required of the various parts of the body should be distributed according to their strength and capacity.
5. **Circular motions.** It was revealed that circular motions are made easily by hands and, hence, this should be exploited when preparing work sequence.
6. **Reducing number of movements.** Effort was made to reduce number of movements to reduce time and fatigue, while increasing efficiency.
7. **Elimination of manipulative movement.** Picking and handling required precision, and hence all manipulative movements were reduced

Best Method of Work The greatest contribution of time and motion work studies was to discover the *best method of work for each job*.

Contribution of Time and Motion Studies

1. **Standardisation of work.** The greatest contribution of time and motion studies lies in job standardisation. Individuals may differ in their habits and characteristics and can acquire bad habits. Hence, best methods of work are evolved and taught.
2. **Fairness to workers.** With standardisation, employees could be easily rated. Hence, reward system would be fair.
3. **Precision of training.** Time and motion studies helped in evolving standardised programmes; which helped trainers to train employees to operate in the most efficient manner.
4. **Rationalisation of pay system.** Studies helped in establishing work norms and it became possible to differentiate between different jobs.
5. **Better understanding of individual differences.** The time and motion studies helped the psychologist to understand the difference in individuals traits, characteristics, in a better manner.

Taylor's Four Principles of Scientific Management

After years of experiments, Taylor proposed the Four Principles of Scientific Management:

1. Replace rule-of-thumb work methods with methods based on scientific study of tasks.
2. Scientifically select, train, and develop each worker rather than passively leaving them to train themselves.
3. Cooperate with the workers to ensure that the scientifically developed methods are followed.
4. Divide work equally between managers and workers, so that managers apply scientific management principles to planning the work and workers actually perform the tasks.

Thus, Scientific Management involves:

- (a) Scientific analysis by management of all tasks which need to be done in order to make the workshop as efficient as possible.
- (b) Designing of jobs by managers to achieve the maximum technical division of labour through advanced job fragmentation.
- (c) Separation of planning of work from its execution.
- (d) Reduction of skill requirements and job learning times to a minimum.
- (e) Minimising of materials handling by operators, and separation of indirect or preparatory tasks from direct or productive tasks.
- (f) Use of such devices as time study and monitoring systems to coordinate these fragmented elements and the work of de-skilled workers.
- (g) Use of incentive payment systems, both to stabilise and to intensify worker effort.
- (h) Conduct of manager-worker relationships at 'arms-length'—following the 'Minimum Interaction Model' (Davis 1966; Littler 1982).

Representative samples of companies show that job design practices in manufacturing continue to be dominated by a concern to minimise the unit production time in order to minimise the cost of production. Job design criteria include skill specialisation, minimal skill requirements, minimum training times, maximum repetition and general limiting of both the number of tasks in a job and the variation within those tasks. Evidence continues to support *Braverman's* (1974) claim that scientific management and its associated de-skilling is becoming more dominant, and is covering increasing sectors of the working world. Today, we see the continuing influence of scientific management as a reflection of the extent to which psychological assumptions hold sway among managers at the execution level.

The psychological assumptions of scientific management are best described in *The Principles of Scientific Management* (1911) by the concept of 'soldering'. *Soldering*, in Taylor's sense, is 'the natural instinct and tendency of men to take it easy'. When this is combined with people's economic interest and the failure of managers to design, allocate and reward work on a scientific basis, it leads employees to get together and rationally conspire to hold production down. (They do this to maximise their rewards without permitting the management to come back and tighten the work rate.) This is an inefficient evil, and results from natural phenomenon which results from sociability of human beings. If the management relates directly to each individual and satisfies their self-interest, then they will get full cooperation. It involves perfect understanding of human nature.

Evaluation of Scientific Management The assessment of scientific management's influence varies. A litany of innovations became standard workshop practices, including the idea of coordinated flow of production which predated and influenced Ford's mass production line (Aitken 1985, pp 28-29).

Scientific management made an important and lasting contribution to the development of modern management. It helped to establish new managerial rationality. The principles of managerial efficiency could be made 'impartial, universal and law like' (Rose 1988, p. 34). 'The ideas of scientific rationality are

fundamental aspects of modern industrial administration and can be linked to the notion of bureaucratic administration' (Dawson and Palmer 1995; Gospel and Palmer 1993, pp. 45–53). Work study was used to establish standard rules for expected performance, standard job definitions and a systematic division of labour and authority. The rules were supported by an elaborate system of records, which gave permanency to regulations, gave formal rules the authority and made the decisions of managers and engineers more open to scientific evaluation and review. Individual incentive payment system was devised to encourage employees to conform to the standards elaborated.

Scientific management introduced formal rationality to the management processes. It enabled management to be taught. Management prescriptions can now be identified by study and experiment, so that people can achieve managerial status. It also appeared to offer the possibility that conflicts of opinion could be resolved by rational investigations.

Some writers claim that Taylor was opposed to unions, as irrational and immoral associations responsible for 'systematic soldering'—the cardinal sin against productivity and efficiency. Taylor was not a psychologist; his concept of systematic soldiering carried with it an understanding of group dynamics. Taylor not only understood group pressures, but expressed support for trade unions and suggested that unions be involved in the appointment of specialized engineers (Nyland 1996). Taylor's ideas were emphasised by Champy and Hammer (1993) with their idea of 're-engineering the corporation'. These authors, in their study, advocated measuring and identifying key processes to make things more efficient and productive.

HUMAN RELATIONS

Human relations was popularised by Elton Mayo. He developed new ideas about the need for employee commitment, based on a critique of scientific management's implicit assumptions about human motivation. In the late 1920's and 1930's, experiments were conducted by Roethlisberger and Dickson into the behaviour of shop floor workers at the Hawthorne Plant of the Western Electric Company near Chicago, Illinois (Roethlisberger and Dickson, 1939). Tests of worker productivity were conducted and initial studies were designed to test the assumptions that the physical environment affects worker productivity.

Hawthorne studies are important because it stimulated the development of motivation as factor for productivity.

HAWTHORNE STUDIES

Hawthorne studies, is a collaborative effort between the Western Electric Company and a group of researchers (Elton Mayo and others) from Harvard University, took place between 1927 and 1932 (Mayo, 1933; Whitehead, 1935, 1938). This series of research, first led by the Harvard Business School professor, Elton Mayo, along with associates F.J. Roethlisberger and William J. Dickson, started out by examining the physical and environmental influences of the workplace (for example brightness of lights, humidity) and later moved onto the psychological aspects (for example breaks, group pressure, working hours, managerial leadership).

The original purpose of the Hawthorne Studies was to investigate the impact of environmental factors, such as illumination, wage incentives, and rest pauses, on employee productivity. Given the time period in which Hawthorne Studies were initiated (early 1920's), these topics were central to the dominant mode of managerial thought at the time-scientific management.

Importance of Hawthorne Studies

What made Hawthorne Studies so important to the field of industrial psychology were the unexpected, serendipitous findings that came out of the series of investigations, specifically the findings from the

illumination experiments. The researchers found that productivity increased regardless of the changes in the level of illumination. This became the basis of what is popularly known the *Hawthorne Effect*, or the idea that people will respond positively to any novel change in the work environment. In modern organisations, Hawthorne effect might occur when a relatively insignificant change is made in a person's job. That person initially responds to the change very positively but the effect does not last long. Researchers also found that work groups established and enforced production norms. The researchers found that the employees who did not adhere to production norms often met with negative consequences from other members of the work group, and that employees responded very differently to various methods of supervision. The overall implication of the Hawthorne Studies for industrial psychology was that social and psychological factors impacted behaviour in organisational settings.

The Illumination Studies

The studies were reported fully by Roethlisberger and Dickson (1939). Originally, they were designed to assess the effect of level of illumination on productivity. One group of workers (the experimental group) was subjected to changes in illumination whilst another (the control group) was not. The productivity of both groups increased slowly during this investigation; only when illumination was at a small fraction of its original level did the productivity of the experimental group begin to decline. These strange results suggested that other factors apart from illumination were determining productivity.

Relay Assembly Test Room Study

This was the second phase of Hawthorne Studies. It was an attempt at studying workers' performance under carefully controlled conditions. A small group of five female assembly workers were taken from their large department and stationed in a separate room so that their working conditions could be controlled effectively. Over a period of more than a year, changes were made in the length of the working day and working week, the length and timing of rest pauses and other aspects of the work content. Although it is reported that productivity increased after every change and the gains were maintained even after all conditions returned to their original levels, such interpretation is misleading. Two individuals showed a general tendency to improve production, one showed an overall steady production, but two others showed generally decreasing production, and so were replaced by more 'cooperative' employees.

Why did these results occur?

Clearly, factors other than those deliberately manipulated by the researchers were responsible. The researchers had allowed the workers certain privileges at work, and had taken a close interest in the group. Hence, some factor, probably to do with feeling special, or guessing what the researchers were investigating, seemed to be influencing the workers' behaviour. The problem of a person's behaviour being affected by the knowledge that he is in an experiment has come to be called the Hawthorne effect.

The more general lessons here are:

1. It is difficult to experiment with people without altering some conditions other than those intended, and
2. People's behaviour is substantially affected by their interpretation of what is happening around them (Adair, 1984).

At the completion of the relay system tests, the researchers realised that more was involved than the physical conditions of work. It was apparent that the social impact was far greater than the impact of lighting or rest breaks.

Mass Interviewing Programme

The fourth phase of studies was the *mass interviewing programme*. The objective of this experiment was to learn about the employees' attitudes towards their supervisors, company, wages, facilities, promotion, morale, etc., and this could be done by the mass interview programme. Fourteen men were observed and interviewed for over six months. These interviews were conducted by the means of direct, and the indirect questions. It was found that a worker was satisfied or dissatisfied, not in terms of any objective forms of reference but rather in terms of how he regarded his social status and what he felt he was entitled to receive by way of rewards. (Brown, J.A.C., *The Social Psychology of Industry*, Pelican Books, p.79). It was also revealed that in 'non-directive' interviews, the interviewer pretended that whatever information he got from workers' was treated as confidential. The interviewers trained to listen more and talk less. However, it was found that they were offering advice in respect of arguments. It was also observed that generally complaints resulted from employees' social position in the group in which they worked.

From the mass interview programme, it was discovered that employees' behaviour was being influenced by group behaviour. This result was not very satisfactory and researchers decided to conduct another experiment.

Bank Wiring Room Study

The conclusions of illumination and relay assembly test room studies were extended by a study of a group of male workers who wired up equipment in the Bank wiring room. A researcher sat in the corner and observed the group's activities. At first, this generated considerable suspicion, but apparently after a time the men more or less forgot about the researcher's presence. Once this happened, certain phenomena became apparent.

First, there were social norms, that is, shared ideas about how things should be. Most importantly, there was a norm about what constituted an appropriate level of production. This was high enough to keep the management off the men's backs, but less than what they were capable of. Workers who consistently exceeded the productivity norm or fell short of it were subjected to social pressure to conform.

Second concerned supervisors' behaviour. Supervisors were expected to be friendly and informal with the men—one who was more formal and officious was strongly disapproved of.

Third, there were two informal groups in the room, with some rivalry between them.

The Bank Wiring Room study showed clearly how social relationships between workers were important determinants of work behaviour. These relationships were often more influential than either official company policy or monetary rewards.

Critique of Hawthorne Studies

Holloway (1991) noted, "The Hawthorne Studies combined two radical departures from previous industrial psychology. The first involved a shift from the psycho-physiological model of the worker to a socio-emotional one. The second was a change in method from an experimental one, whose object was the body (or the interface between the body and the job), to the one whose object was attitudes as the intervening variable between situation (working condition) and response (output). Human relations not only made possible the production of different kind of information for the first time in the workplace, but had a powerful effect on workers themselves."

There has been much criticism of the experimental methods used by the Hawthorne researchers, and considerable debate about the exact reasons for their findings. However, subsequent research by other social scientists confirmed and extended the general message that human relations matter. For example, Trist and Bamforth (1951), working in British coal mines, showed that if technology is introduced which disrupts existing social groups and relationships, there are serious consequences for productivity, industrial relations

and employee psychological well-being. Their work gave birth to the socio-technical systems approach to work design. Although some psychologists have criticised the findings of the Hawthorne Studies, the studies have been responsible for the a shift from the objective scientific form of management to attending to the individual and personal needs of the worker and his or her relation to the overall group, including the co-workers and the supervisor.

In today's work environment, increased work input has been often correlated with motivation, teamwork, and caring and well-meaning supervisors and superiors.

DEMOCRATIC HUMANISM

Democratic humanist writers and researchers suggest that organisational efficiency can be achieved through participative approach, that is,

- Subordinates become involved in setting their own objectives
- 'Enriching' of jobs is achieved by reducing the extent of their supervision and monitoring
- Development of more open and authentic colleague relationships in a group or team

Democratic Humanism represents the ideas that became popular in the 1960s. It is the opposite of scientific management but, in some ways, it is the latter's mirror image. It bases its approach on human work behaviour on a theory of human nature of McGregor (1960), *Theory X and Theory Y*. In this theory, McGregor differentiates between two sets of assumptions that managers have about their employees. The *first* is the traditional view that man dislikes work and, if possible, would like to avoid it, hence needs to be supervised and controlled. That is, he accepts the assumptions of Theory X. If, on the other hand, the manager accepts that less control is necessary, he accepts Theory Y. In this theory, commitment to work is associated with rewards for achievement. Thus, the approach to supervision is determined to some extent by the manager's view of human nature.

Theory Z

William Ouchi, management professor at UCLA, studied the Japanese business practices. In Japan he found what he termed as the *J* firms. These firms are characterised by lifetime employment for employees, collective decision making, collective responsibility for the outcome decision, slow evaluation and promotion, implied control mechanism, non-specialised career paths and a holistic concern for employees as people. As per Ouchi, generally firms are Type A, with emphasis on short-term employment, individual decision making, individual responsibility, rapid evaluation and promotion, explicit control mechanism, specialised career paths and segmented concern for employees.

Ouchi advocated the need for a middle path between the two types, which he referred to as Type Z. These firms should emphasise long-term employment, collective decision making, individual responsibilities, informal control with some formalised measures and a holistic concern for employees.

The Quality of Work-Life Paradigm

As time passed, psychologists became aware that their assumptions about people were not always accurate. Hence, they changed their assumptions and the Quality of Work Life-Paradigm emerged. Quality of work-life emphasises the importance of worker rights and industrial democracy. The focus is on improving organisational processes, such as communication, coordination, motivation and personnel development.

Kurt Lewin felt it was not possible to understand organisational life by just focusing on the individual. He believed that it was necessary to understand group dynamics. Douglas McGregor was a strong supporter of teamwork. He felt that group dynamics were important if one wanted to manage people effectively. He realised that people's reactions to the world were based on their perceptions and assumptions, that made

each one of them experience and react to situations differently. McGregor opposed the idea of matching one person to one job, which is one of the main characteristics of the scientific management and human relations approach. McGregor suggested that an organisation should have a pool of human resources, or people to meet its labour needs.

MERGERS AND ACQUISITIONS

Mergers and acquisitions highlight the spectrum of complex problems that major corporate change creates. Mergers and acquisitions always lead to redundant functions, cleaning operations in which key employees are replaced with new comers, and even downsizing, that is, reducing the size of work force. Such turmoil affects the morale and causes psychological stress on the workforce. Downsizing often causes disruptions in communications that are integral to perceptions of organisational justice, leading to job insecurity and uncertainty (Shah, 2000). Workers may become less productive due to their concern for job security. Employees may plan to leave if they presume that the new entity is unstable and their influence on power has been eroded (Tatenbaum, 1999). What is required is to keep the channel of communication open, with meetings and even an outplacement programme to help the employees made redundant due to downsizing. Even the workers who are retained need help as they feel they have lost control (de Vries et. al. 1997).

EXERCISE

REVIEW QUESTIONS

1. What do you understand by scientific management? Explain the importance of scientific management?
2. What are time studies? Discuss their unique characteristics.
3. Why did Gilbreth favour motion study over time study?
4. In what way did Gilbreth develop their work beyond the confines of scientific management?
5. Scientific management is the basic mode of operations in industry today. Discuss.
6. What is Human Relations approach? Explain.
7. Write a short note on Hawthorne experiments.
8. What is the importance of Hawthorne experiments?
9. Write a critique of Hawthorne experiments.
10. What is Democratic Humanism? How does it differ from Human Relations approach? Discuss.
11. What is Theory Z? What is its applicability in modern industries?
12. Quality of work-life is often discussed as one of the factors in choosing a job with a company. What is quality of work life? Explain.
13. Discuss the contribution of scientific management to the development of industrial psychology.
14. Write short notes on the following:
 - (i) Contribution of Gilbreths to scientific management
 - (ii) Limitations of scientific management
15. Briefly describe the experiments conducted at the Hawthorne Plant of General Electric Company, Chicago.
16. Discuss the implication and limitations of Hawthorne studies.
17. Discuss the contribution of Elton Mayo.
18. Write notes on the following:
 - (a) Experiment on illumination
 - (b) Relay Assembly Test Room Experiment
 - (c) Mass Interviewing Programme
 - (d) Bank Wiring Observation Room

19. What are the implications of Hawthorne experiment on Industrial Psychology?
20. According to you, which phase of Hawthorne Experiments is more crucial and why?

FILL IN THE BLANKS

1. Taylor believed that decisions based on tradition and rules of thumb should be replaced by precise _____ developed after careful study of an individual at work.
2. The _____ of management should be to develop every branch of the business to its highest state of excellence.
3. Gilberth analysed the work into a series of elementary operations or movements, each of which he _____, and noted those that served no useful purpose, and these he would eliminate.
4. Movements of two hands are simple when symmetrical. Motion expert capitalises on it and uses _____ movement, wherever possible.
5. The Hawthorne studies involved a shift from the psycho-physiological model of the worker to a _____ one.
6. _____ always lead to redundant functions, cleaning operations in which key employees are replaced with new comers, and even downsizing, that is, reducing the size of work force.
7. _____ is the father of scientific management.
8. Taylor based his management system on production line _____ studies.
9. Hawthorne Plant of the General Electric Company is situated in _____.
10. The series of Hawthorne studies is conducted to find out the relationship between productivity and _____.
11. From the mass interview programme, it was discovered that employees' behaviour was being influenced by group behaviour. This statement is _____.

ANSWERS TO FILL IN THE BLANKS

- | | | | | |
|---|----------------|----------|------------|--------------------|
| 1. Procedures | 2. Objective | 3. Timed | 4. Paired | 5. Socio-emotional |
| 6. Mergers and Acquisitions | 7. F.W. Taylor | 8. Time | 9. Chicago | |
| 10. Performance, incentives and work conditions | 11. True | | | |

Unit 2

Individual in Workplace



Chapter 3

Motivation and Job Satisfaction

LEARNING OBJECTIVES

After reading this chapter, you will be able to understand:

- Motivation theories
Instincts, Maslow's Need Hierarchy, Alderfer ERG Theory, Herzberg's Two Factor Theory, Vroom's VIE Theory, Adam's Equity Theory and Skinners Reinforcement Theory
- Modern approaches to work motivation
Goal Setting Theory, Control Theory, Self Efficacy Theory, Action Theory
- Concepts of motivation
- Types of motivation
- Motivating factors
- Importance of motivation
- Money as a motivator
- Job satisfaction, definition, importance, dimensions, contractual areas relating to job satisfaction, causes of job satisfaction
- Work performance, measuring job satisfaction, Job Descriptive Index, Job Diagnostic Survey

INTRODUCTION

There is an old saying, 'You can take a horse to the water but you cannot force it to drink, it will drink only if it is thirsty.' So it is with the people. They will do what they want to do, or are otherwise motivated to do. Whether it is to excel on the shop floor or on the battlefield, they must be motivated either through themselves or through external stimulus. Motivation is a basic *psychological process*. A recent data based comprehensive analysis concluded that competitiveness problems appear to be largely motivational in nature (Mine, Ebrahimi, and Wachtel, 1995, p. 363). Along with perception, personality, attitudes, and learning, motivation is a very important element of behaviour.

Tidbits

Causation of Behaviour

Behaviour is caused by stimulating situation which acts on person to behave in some sort of way and may lead to some accomplishment.
Durley (2005)

From where motivation
has been derived?

Motivation has been derived from the word *movere*, meaning 'to move'. Motivation is the cause of action (Mook, 1987). When we ask the question. "Why did he or she do that?" we are inquiring about an individual's motivation. Motivation in an organisation involves acting to satisfy the drives, desires, and induce the subordinate to act in a desired manner. Motivation concerns the conditions responsible for variations in intensity, persistence, quality, and direction of ongoing behaviour (Vincake, 1962). The motivation of workers has been a key interest for industrial psychologists/psychologists for over hundred years (Munsterberg, 1913).

Rennis Likert in his work calls motivation as '*the core of management*'. It is an effective instrument in the hands of the management for inspiring the work force. Motivation helps employees to achieve higher performance and create a 'will of work'. Every manager performs this function for actuating the people to work for the accomplishment of organisational goals.

Performance in an organisation is considered as a function of ability and motivation. Thus:

$$\text{Job Performance} = f(\text{Ability})(\text{Motivation})$$

Where '*f*' is the function.

Motivation and motivating both deal with the range of conscious human behaviour somewhere between the two extremes:

- Reflex actions, such as a sneeze or flutter of the eyelids, and
- Learned habits, such as brushing one's teeth or handwriting style (Wallace and Szilag 1982: 53).

Luthan (1998) asserts that motivation should not be thought of as the only explanation of behaviour, since it interacts with, and acts in conjunction with other mediating processes and with the environment.

Definition

Atkinson, J.W., in '*An Introduction to Motivation*' has defined motivation as:

"The contemporary (immediate) influence on the direction, vigor and persistence of action."

Jones, M.R. in "*Nebraska Symposium on Motivation*" states:

"How behaviour gets started, is energised, is sustained, is directed, is stopped and what kind of subjective reaction is present in the organism while all this is going on."

Campbell *et al.* define motivation as:

“.... Motivation has to do with a set of independent/ dependent variable relationships that explain the direction, amplitude, and persistence of an individual's behaviour, holding constant the effects of aptitude, skill, and understanding of the task, and constraints operating in the environment.”

From the above definitions it has been observed that there are three common denominators for motivation. They are:

What are the common denominators of motivation?

- *What energises human behaviour?* It points to *energetic forces within individuals* that drive them to behave in certain ways and to environmental forces that often trigger these drives.
- *What directs or channelises such behaviour?* There is the notion of goal orientation on the part of the individuals; their behaviour is directed *towards* something.
- *How is this behaviour maintained or sustained?* It contains a *system orientation*, that is, it considers those forces in individuals, and in their surrounding environments, that feed either to reinforce the intensity of their drive, or the direction of their energy, or dissuade them from following a particular course of action.

Luthan (1998) has defined motivation as, “a process that starts with a physiological deficiency or need that activates behaviour, or a drive that is aimed at a goal incentive”. Therefore, the key to understanding the process of motivation lies in the meaning of, and relationship among, needs, drives, and incentives. Minner, Ebrahimi, and Watchel, (1995) state that in a system sense, motivation consists of these three interacting and interdependent elements, that is, needs, drives, and incentives.

Functions of Motivation

Motivation is thought to have three primary functions: *directing function* that steers an individual's behaviour towards or away from specific goals, an *activating function* that energises action in pursuit of goals and an *organising function* that influences the combination of behavioural components into coherent, goal-oriented behavioural sequences (Green *et al.*, 1984; Kandel *et al.*, 1995). These can be stated as:

What are the functions of motivation?

- (a) What energises human behaviour?
- (b) What directs on channels such behaviour?
- (c) How is the behaviour sustained or maintained?

Concept of Motivation

Luthan's definition leads us to the concept of motivation. *Concept of motivation* has been defined by many contemporary authors as, ‘the psychological process that gives behaviour purpose and direction’ (Kreitner, 1995); ‘a predisposition to behave in a purposive manner to achieve specific, unmet needs’ (Buford, Bedeian, & Lindner, 1995); ‘an internal drive to satisfy an unsatisfied need’ (Higgins, 1994); and ‘the will to achieve’ (Bedeian, 1993). For our purpose, ‘motivation is the inner force that drives individuals to accomplish personal and organisational goal's.

What is the concept of motivation?

‘Motivation is a human psychological characteristic that contributes to a person's degree of commitment’ (Stoke, 1999). It includes the factors that cause, channel, and sustain human behaviour in a particular committed direction. It can be expressed in many ways (see box).

How Can Motivation be Expressed?

Motivation can be expressed as:

- Effort
- Loyalty
- Hard Work
- Commitment
- Skill
- Ability
- Adaptability
- Flexibility
- Tolerance
- Determination
- Enthusiasm
- Trust in manager and superiors
- Support of colleagues and peers
- Personal sacrifice, etc.

MORALE

What is morale?

Industrial morale is the possession of feeling on the part of an employee or a group of employees being accepted and belonging to the work group and organisation, through adherence to common goals and having confidence in the desirability of these goals. Industrial morale is both an individual and a group phenomenon. The main aspect is the employee's feelings about his job, about superiors and the organisation itself; the will or the urge to do good work rather than contentment or satisfaction.

Morale is a composite expression of attitudes of various individuals employed by the organisation which is ultimately reflected through the generalised feeling of the individual as well as the members of the work group. It is generated by the group and its leadership through the development and maintenance of adequate interpersonal relationships.

High morale results from satisfaction of needs from the job, or as a result of the job. One of the primary needs satisfied by the job is the need for financial security. High morale leads to dedication and loyalty, it also results into a desire to do the job well.

Consistent high morale is the product of:

- (a) Soundness of technical operations
- (b) Purposeful way of dealing and relating with employees

In this, the employees have freedom and at the same time work within controls which helps them work in balance. If dealt with purposefully, the employees accept the controls.

How to Measure Morale

How do we measure morale?

The survey research centre of the *Institute of Social Research* at Michigan has considered that industrial morale involves:

- (a) Intrinsic job satisfaction
- (b) Pride in work

- (c) Satisfaction and identification with the company
- (d) Satisfaction with wages and chances of promotion

Ganguli (1957, 1994) developed a standard questionnaire for measuring morale. It contains forty one items to determine employee attitude. Thirty two items have five response alternatives and nine items have three alternatives. The scale of items covers following six dimensions; work itself, pay and other financial benefits, promotional and other training opportunities, job security, management/ supervision, and colleagues/ co-workers. The reliability of the scale, using the test-retest method is $r = 0.90$. Validity of the scale was checked through the internal consistency method, that is, item analysis showing correlations between items and high correlations between item score and total test core.

MOTIVATION AT WORK

Most of the working people have their physiological, security and belongingness needs satisfied. Their behaviour at work is mostly directed towards satisfying the fourth order needs of power, prestige and status. These are also called '*ego needs*', or '*esteem needs*', or '*social motives*'. These needs have been found to influence work behaviour of people in different work settings. These needs are described below:

1. *The need for activity* is the desire to be constantly doing things. This kind of person is a hard worker. The opposite of this is *passivity*, which is also a need to relax and not be disturbed.
2. *The need for extension* is a desire to be helpful to others and to provide one's services to the organisation or the nation. People dominated by this need are good social workers and maintain good interpersonal relations.
3. *The need for dependence* is the need to consult others before making any decision. Such people feel insecure and want to be protected. They lack initiative and always look for direction from others.
4. *The need for independence* is the desire to do things individually and to be one's own self. Such people prefer freedom, like to make their own decisions, dislike interference. They may consult others but do not seek approval.
5. *The need for power* is the desire to influence others and gain control over them. Such people like to lead, and enjoy giving directions. They are argumentative and seek leadership positions.
6. *They need for aggression* creates a desire to dominate others and to demonstrate one's own strength, at times, even physically. These people talk loud, are argumentative and may get into physical fights.
7. *The need for status and prestige* is the desire to be respected and treated with deference, specially by others in social situations. These people are status conscious, they may run for offices and show authoritarian tendencies when working with others.
8. *The need for recognition* demands recognition for one's accomplishments. These people may be completely demotivated if their work is not immediately recognised.
9. *The need for achievement* is the concern for excellence. People dominated by this need are generally active, work hard, set high goals, take challenging tasks, desire pleasure from doing difficult things and look for quality.
10. In addition to the nine important needs mentioned above, there are two others that fall into *second* and *third order* needs that are important in the work place. These are the *need for security* and *need for affiliation*.
 - (a) *The need for security* is the need to be secure about one's own livelihood and to be sure to continue to have it.
 - (b) *The need for affiliation* is the concern for establishing or maintaining warm and affectionate relations with others. To fulfill this need, people join groups, invite people and develop attachments.

The satisfaction of these eleven needs mentioned above is important in the workplace. The organisation must provide opportunities to satisfy these needs to ensure a motivating environment.

MOTIVATION THEORIES

What are motivation theories? There are four basic theories of human motivation: Instinct Theory, Drive-Reduction Theory, Arousal Theory and Maslow's Hierarchy of Needs. These shall be discussed in succeeding paragraphs.

What is an instinct theory?

The earliest industrial psychology theories of motivation were based on the notion of instincts, principally driven by Psychodynamic Theories of Personalities (Freud's approach). The concept of instinct enjoyed great popularity and support in the late 19th century. Two very different instinct theories of motivation were developed by the psychoanalyst, Sigmund Freud, and the functionalist, William James. Freud's view of instincts was very broad. In his view, human behaviour was motivated by two biologically energised instincts, respectively termed *Eros*, the life instinct, and *Thanatos*, the death instinct. The life instinct was considered to be the basis for sexual motivation, while the death instinct underlay aggressive motivation. For Freud, these instincts and most of their subsequent motivations remained a part of each individual's unconscious. In contrast, most other theories of motivation emphasise explanations for conscious motivation.

In line with his functionalist perspective, James emphasised the survival value of instinctive motivation. He argued that humans were born with a score of instincts, such as fear, sociability, cleanliness, and love, which underlay all more complex behaviour. Critics assailed instinct theories of motivation for merely labeling yet failing to explain behaviour. Moreover, instincts were not observable and could not be subjected to empirical testing or behaviorist evaluation.

Understanding what motivated employees and how they were motivated was the focus of many researchers following the publication of the Hawthorne Study results (Terpstra, 1979). Five major approaches that have led to our understanding of motivation are Maslow's Need Hierarchy Theory, Herzberg's Two-Factor Theory, Vroom's Expectancy Theory, Adams' Equity Theory, and Skinner's Reinforcement Theory.

What is Maslow's need hierarchy theory?

In 1954, Maslow suggested that a person's needs could be diagrammed as a five-level hierarchy (Ames & Ames, 1989). At the bottom are *basic physiological needs* (food, shelter, and clothing). Following is *safety*. For instance, employees need to be assured that the company cares about their *safety*. A more broad definition of safety goes beyond its physical aspect. It includes variables, such as discrimination, favoritism, stereotyping, etc.) The next level of needs would be *social*. At this level, the human need for love and a sense of belonging would be addressed when designing teams. This level should be carefully considered. The fourth level is *self-esteem*. This need is met when respect exists among co-workers, management, team members and all different levels of the company structure. The last but not the least important level of need is *self-actualization*. According to Maslow, this is the highest and most complex level. It relates to people's need to reach their full potential. One very common mistake in implementing motivational strategies is forgetting to meet the self-actualization level and concentrating too much on meeting only the basic levels of need. Financial rewards are necessary, but they often disregard the highest level in this hierarchy of needs.

What is Alderfer theory of motivation?

Alderfer proposed a conceptually simpler framework, known as *ERG* (Existence, Relatedness and Growth) Theory. Alderfer recognised the importance of categorising needs, and saw that there was a definite distinction between lower level and higher level needs. Alderfer's theory proposes only three basic needs: *existence*, *relatedness* and *growth*.

- *Existence needs* are associated with survival and physiological well being of an individual and correspond closely to Maslow's physiological and safety needs.

- *Relatedness needs* emphasise the significance of social and interpersonal relationships and correspond to love needs.
- *Growth needs* are related to a person's inner desire for personal growth and development and correspond to Maslow's esteem and self-actualization needs.

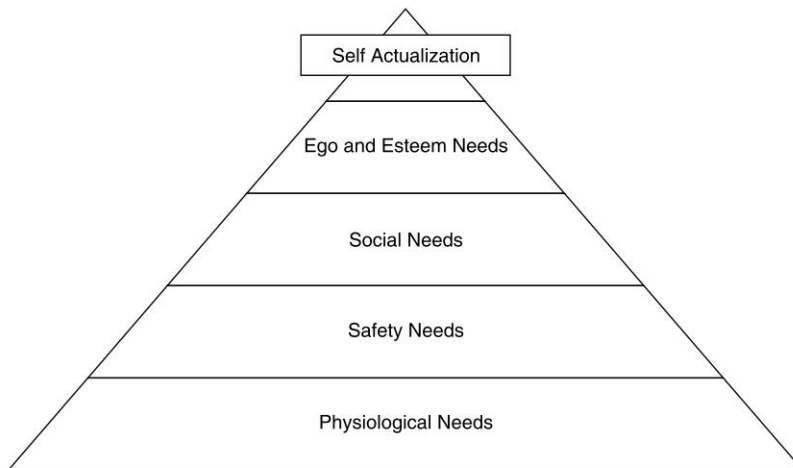


Figure 3.1 *Maslow's-Hierarchy of Needs Theory*

Alderfer asserts that multiple needs may operate simultaneously, and that there is no specific order in which needs are activated.

Mumford (1976) argues that workers have:

1. *Knowledge needs* for, work that utilises their knowledge and skills.
2. *Psychological needs*, such as recognition, responsibility, status and advancement.
3. *Task needs*, which include the need for meaningful work and some degree of autonomy.
4. *Moral needs*, that is, to be treated in the way the employer would himself/herself wish to be treated.

Mumford's assumption was that employees did not simply see their job as a means to an end but had needs which related to the nature of their work.

Herzberg's work categorised motivation into two factors: *motivators* and *hygiene* (Herzberg, Mausner, & Snyderman, 1959). *Motivator or intrinsic factors*, such as achievement and recognition, produce job satisfaction. *Hygiene or extrinsic factors*, such as pay and job security, produce job dissatisfaction. The process of development of this theory consisted of interviews with more than 200 engineers and accountants. The interviewees were asked to recall incidents at work that they associated with experiencing high or low self-esteem. Results of these interviews indicated that positive feelings were often associated with achievement, recognition, etc., and negative feelings with the work environment, such as company policies, relationships with co-workers and supervisors, job security, working conditions, etc. This theory proposes that adding achievement, recognition and variables of that kind to the work environment increases motivation (Figure 3.2).

Vroom's theory is based on three variables, *valence*, *instrumentality* and *expectancy*, and is therefore commonly termed as *VIE Theory*. It is based on the belief that employee effort will lead to performance and performance will lead to rewards (Vroom, 1964). Three types of relationships are identified in Vroom's theory:

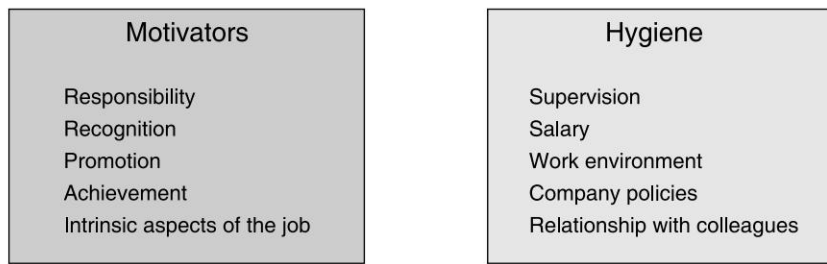


Figure 3.2 Herzberg's Motivating Factors

1. *Effort-performance relationship*: This shows an individual's perception of the probability that a specific level of performance would result if he exerts a certain amount of effort.
2. *Performance-reward relationship*: It denotes the extent of an individual's belief that a particular level of performance would result in achieving the desired outcome.
3. *Rewards-personal goals relationship*: This refers to the degree to which an individual's personal goals or needs are satisfied by the rewards given by the organisation, and his perception of the attractiveness of these rewards.

Tidbits

Inequity

Inequity. It is the situation in which a person perceives he/she is receiving less than he/she is giving, or is giving less than he/she is receiving.

Reinforcement theory is based on the premise that *behaviour that is rewarded is likely to be repeated, while behaviour that is punished is less likely to recur*. Reinforcements can take variety of forms and can be used in a number of ways. Rewards may be either positive or negative. The more positive the reward, the more likely that the employee would be highly motivated. Conversely, the more negative the reward, the less likely that the employee would be motivated.

Adams' theory states that employees strive for equity between themselves and other workers. *Equity* is achieved when the ratio of employee outcomes over inputs is equal to other employee outcomes over inputs (Adams, 1965). The degree of equity or inequity perceived by an employee with reference to his work situation plays a major role in work performance and satisfaction. An employee compares the outcome: what he gets from his job in relation to what he gives to the job, that is, job inputs.

Psychologist BF Skinner of Harvard University developed an interesting but controversial technique for motivation, called *the positive reinforcement or behaviour modification*. Skinner's theory simply states 'employees' behaviours that lead to positive outcomes will be repeated and behaviours that lead to negative outcomes will not be repeated' (Skinner, 1953). Managers should positively reinforce employee behaviours that lead to positive outcomes. They should negatively reinforce employee behaviours that leads to negative outcomes. The two principles of reinforcement, *contingent reinforcement* and *differing reinforcement*, are utilized and often applied in the work context. Nevertheless, as a complete theory of work motivation, behaviorism falls short because it fails to acknowledge higher mental activities, such as reasoning and judgement.

Modern Theories to Work Motivation

The theories discussed above have their limitations. Hence, new theories have been proposed to motivate people under modern conditions.

Goal Setting Theory The theory of goal setting, as propounded by Locke, Wood and Mento, is based on the principle that difficult goals stimulate performance and commitment (Locke & Latham, 2002). The notion of *goal* as a motivational force has been well established (Baldamus, 1951; Locke, Shaw, Saari, & Latham, 1981; Ryan, 1970).

What is goal setting theory?

Locke's (See Figure 3.3) theory assumes that human behaviour is purposeful, and that goals direct and sustain their behaviour in a particular manner. Two primary attributes of the goals, content and intensity, drive behaviour towards accomplishment of tasks. The model identifies the mechanisms, or the intermediate states, by which goals affect performance. Locke and colleagues (1981) proposed that goals have the effect of 'directing attention and action (direction), mobilising energy expenditure or effort, prolonging effort over time (persistence) and motivating the individual to develop relevant strategies for goal attainment (strategy)' (p. 145). Another important factor is the *feedback loop* between knowledge of results, and the intermediate states between goal commitment and performance. The feedback loop makes the theory more dynamic by showing that as the individual evaluates his or her performance, intermediate states may be changed.

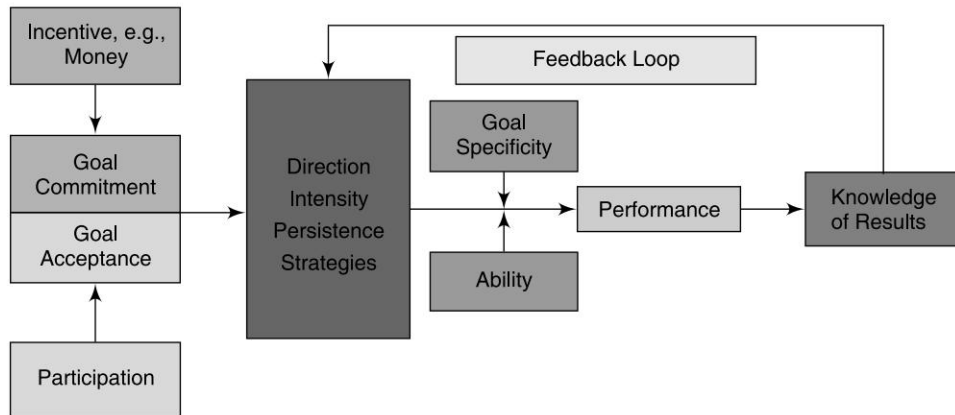


Figure 3.3 Goal Setting Theory

Control Theory Control theory is based on the principle of feedback loop, which deals with discrepancy between the set goals and the actual goal. Control theory suggests that people are active self regulators who depend upon the feedback for adjusting to changes in their environment. Control theories assume that an individual compares a standard (goal) to actual outcome and adjusts behaviour to bring the outcome into agreement with the standard.

What is control theory?

Self Efficacy Theory Self efficacy theory (Bandura, 1986), which is playing an increasingly important role in the most modern theories of work motivation, says that motivation can be developed through mastery experiences, modeling, social persuasion, or psychological states. There is an enormous amount of research being carried out on the relationships among goal setting, feedback and self efficacy. Self efficacy is defined as *the belief in one's capacity to perform a*

What is theory of self efficacy?

Tidbits**Self efficacy**

Self efficacy is defined as the belief in one's capacity to perform a specific task or reach a specific goal.

Bandura, (1997)

specific task or reach a specific goal (Bandura, 1997). Self efficacy is different from self-esteem, which is pride in who one is as a human being, often boosted by the satisfaction of having accomplished a difficult task. Judge, Jackson, Shaw, Scott, & Rich (2007) present meta-analytical evidence suggesting that self efficacy comes into play on simple rather than complex tasks.

How does action theory help in motivation?

Action Theory In action theory (von Cranach & Valach, 1983), human behaviour is considered as goal directed action. The theory addresses processes of various domains of actions. Everything we do as people, from getting up in the morning to tasks associated with our work, can be considered as domains of action theory. Secondly, the theory can be considered as being organised in a system of interrelated levels. These levels are the level of social meaning of the action. The theoretical conceptualizations of action theory (Figure 3.4) distinguish three levels of action and integrate them into a coherent web in which each part deserves equal attention. Action theory accommodates theories of social influence (Augoustinos & Walker, 1995) and control (Gibbs, 1982), theories stressing the importance of cognitive steering (Heylighen, Rosseel & Demeyere, 1990), and the theories in which self regulatory processes (Zivin, 1979) in a motor action are valued highest (Colley & Beech, 1988).

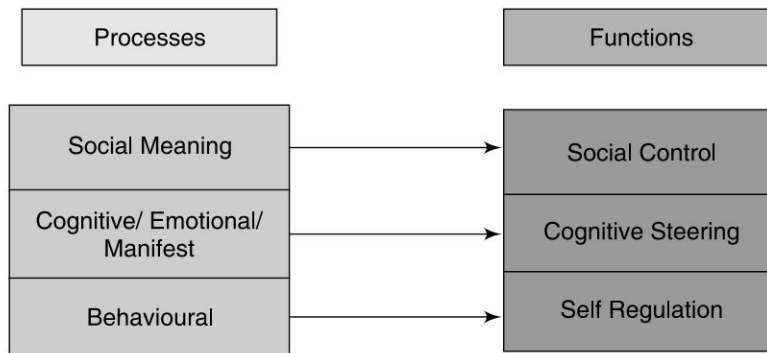


Figure 3.4 Action Theory Conceptualization

Process of Motivation

How can one motivate?

The theories discussed give us some insight on how certain techniques need be applied. The need to recognise individual contributions is on the top of the list of motivational strategies. Why do people do what they do? Three factors have been identified as playing a very important role in those decisions. They are (1) feelings, (2) values, and (3) needs. Need is the starting point of motivation.

- **Feelings:** Feelings or emotions can lead to positive or negative behaviour. Generally, positive feelings lead to positive behaviours and negative ones tend to sabotage the work environment.
- **Values:** When talking about values we refer to the importance we give to things. Values include honesty, fairness, loyalty, dignity, professionalism, etc., and their influence in an employee's priorities.

Realistically, not all employees share the same set of values, therefore, it is a good idea to implement certain company values and encourage all employees to respect them.

- **Needs:** We talked about the need hierarchy theory earlier in this chapter. Mainly, in order for a reinforce to be effective, and for motivation to occur, the system has to fulfill not only the employees' basic needs but the more complex ones too.

Motivation, thus, can be seen as a chain reaction, that is, *felt needs* give rise to *goals sought*, which cause tension, which gives rise to *actions*. The actions result in *achieving the goal*, and, in turn, *satisfaction/getting some incentive*. (Figure 3.5)

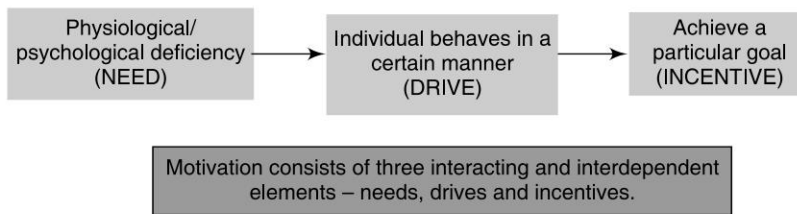


Figure 3.5 The Motivation Process

Types of Motivation

Hertzberg et.al. (1957) identified two types of motivation.

- People can motivate themselves by seeking, finding and carrying out work (or being given work) that satisfies their needs, or at least leads them to expect that their goals will be achieved, also referred to as *intrinsic motivation*.
- People can be motivated by management through such methods as pay, promotion, perks, etc., also referred to as *extrinsic motivation*.

What are the types of motivation?

Intrinsic Motivation The factors include responsibility (feeling that work is important and having control over one's resources), autonomy (freedom to act), scope to use and develop skills and abilities, interesting and challenging work and opportunities for advancement. Intrinsic motivation is fostered by commitment to the work itself. "There is no apparent reward except the activity itself" (Deci, 1975, p. 23). Intrinsic motivation has advantages over extrinsic motivation in organisational activities that demand creativity and learning on the part of employees when organisational goals are unclear, and when the exchange rests on highly incomplete contracts (Frey, 1997).

Extrinsic Motivation Extrinsic motivation is what is done to or for people to motivate them. This includes rewards, such as increased pay, praise promotion, etc. Extrinsic motivators can have immediate and powerful effects but will not necessarily last long. Extrinsic motivation results from incentives for behaving in a certain way based on the use of a price system. Extrinsic motivation can be used to coordinate resources by linking employees' monetary motive to the goal of the organisation (Osterloh and Frey, 2000).

Osterloh and Frey (2000) point out that both kinds of motivation are crucial. They also note that there is a systematic dynamic relationship between the two. These are not additive but rather interactive (Osterloh and Frey, 2000). Further, there might be a negative effect of introducing extrinsic rewards to people who are already intrinsically motivated (Frey, 1997). In that situation, extrinsic motivation is said to crowd out intrinsic motivation (Osterloh, Frost and Frey, 2002). The crowding out effect is especially significant when monetary compensation is perceived as controlling, and hence creates the feeling of being controlled from outside. Similarly, Janssen and Mendys-Kamphorst (2004) conclude that introducing financial incentives to contribute to a socially desirable outcome tends to decrease the number of contributions.

Motivating Factors

What are the motivating factors? Motivating factors can be broadly divided into two groups, monetary and non-monetary.

1. Monetary Factors

- (a) *Salaries or wages*: Salaries or wages are among the most important motivating factors. While fixing salaries, an organisation must consider :
 - Cost of living
 - Company's ability to pay
- (b) *Bonus*: It refers to the extra payment to employees over and above the salary given, as an incentive. The employees must be given adequate rate of bonus.
- (c) *Incentives*: The organisation may also provide additional incentives, such as medical allowance, educational allowance, HRA allowance, etc.
- (d) *Special individual incentives*: The company may provide special individual incentives. Such incentives are given to deserving employees for giving valuable suggestions.

2. Non-Monetary Factors

- (a) *Status or job title*: By providing a higher status or designation, the employee is motivated. Employees prefer and are proud of higher designations.
- (b) *Appreciation and recognition*: Employees need to be appreciated for their services. The praise should not only come from the immediate superior but also from higher authorities.
- (c) *Delegation of authority*: Delegation of authority motivates a subordinate to perform the tasks with dedication and commitment. When authority is delegated, the subordinate knows that his superior has placed faith and trust in him.
- (d) *Working conditions*: Provision for better working conditions, such as air-conditioned rooms, proper plant layout, proper sanitation, equipment, machines, etc, motivates the employees.
- (e) *Job security*: Guarantee of job security or lack of fear of dismissal, etc, can also be a good way to motivate the employees. Employees who are kept temporarily for a long time may be frustrated and may leave the organisation.
- (f) *Job enrichment*: Job enrichment involves more challenging tasks and responsibilities. For instance, an executive who is involved in preparing and presenting reports of performance may also asked to frame plans.
- (g) *Worker's participation*: Inviting the employee to be a member of the quality circle, or a committee, or some other form of employee participation can also motivate the work force.
- (h) *Cordial relations*: Good and healthy relations must exist throughout the organisation. This would definitely motivate the employees.

Importance of Motivation

Motivation offers several advantages both to the organisation and the employees. They are:

- Higher efficiency
- Reduced absenteeism
- Reduced employee turnover
- Improved corporate image
- Good relations
- Improved morale

Hamner's Rules for using Behaviour Modification Techniques

Rule 1: *Don't reward all individuals equally.* Rewarding everyone equally, in effect, reinforces poor or average performance and ignores high performance.

Rule 2: *Be aware that failures to respond can also modify behaviour.* Managers influence their subordinates by what they do not do as well as by what they do. For example, failing to praise a deserving subordinate may cause that subordinate to perform poorly next time.

Rule 3: *Be sure to tell individuals what they can do to get reinforcement.* Setting a performance standard lets individuals know what they should do to be rewarded: they can then adjust their work pattern accordingly.

Rule 4: *Be sure to tell individuals what they are doing wrong.* If a manager withholds rewards from a subordinate without indicating why the subordinate is not being rewarded, the subordinate may be confused about the behaviour the manager finds undesirable. The subordinate may feel that he or she is being manipulated.

Rule 5: *Don't punish in front of others.* Reprimanding a subordinate might sometimes be a useful way of eliminating an undesirable behaviour. Public reprimand, however, humiliates the subordinate and may cause all the members of the work group to resent the manager.

Rule 6: *Be fair.* The consequences of behaviour should be appropriate. Subordinates should be given the rewards they deserve. Failure to reward subordinates properly or over-rewarding undeserving subordinates reduces the reinforcing effect of the reward.

Source: Adapted from Hammer, W. Clay, Reinforcement Theory and Contingency Management in Organizational Settings,' in Henry L. Tosi and W. Clay Hammer, eds., Organizational Behaviour and Management: A Contingency Approach, rev. ed. 1977.

- Reduced wastages and breakages
- Reduced accidents
- Facilitates initiative and innovation

Money as a Motivator Akintoye (2000) asserts that money remains the most significant motivational strategy. As far back as 1911, Frederick advocated the establishment of incentive wage system as a means of stimulating workers to higher performance, commitment, and eventually satisfaction. Money possesses significant motivating power in as much as it symbolises intangible goals like security, power, prestige, and a feeling of accomplishment and success. Katz, in Sinclair, et al. (2005), demonstrates the motivational power of money through the process of job choice. He explains that money has the power to attract, retain, and motivate individuals towards higher performance. Banjoko (1996) states that many managers use money to reward or punish workers. This is done through the process of rewarding employees for higher productivity by instilling fear of loss of job (e.g., premature retirement due to poor performance). In general, the role of money as a motivator depends upon several factors.

- Money fails to motivate people, when there is no direct relationship between reward and effort.
- Economic conditions of people influence the importance of money. For a poor person, the value of a certain amount of money is higher as compared to the rich.
- Money is a significant motivator for an employee at a level. However, money may not be a significant factor for senior executives who have already fulfilled their lower level needs.

- Employees are concerned not only with the amount of money paid to them, but also that it be fair and equitable, as paid to the employees of same level or status.
- Social attitudes towards money and wealth also decide the motivation to earn more and more.

JOB SATISFACTION

What is job satisfaction?

Job satisfaction is a complex and multifaceted concept, which can mean different things to different people. Job satisfaction is usually linked with motivation, but the nature of the relationship is not clear. Job satisfaction is more of an attitude and an internal state.

The heart of job satisfaction is in one's attitude and expectations; it's more about how one approaches his/her job than the actual duties performed. Whether one works on a farm, a production line, in the corner office or on the basketball court, the secret is to understand the key ingredients of the unique recipe for job satisfaction.

Definition of Job Satisfaction

Define Job Satisfaction.

Job satisfaction has been defined in several ways and a definitive designation for the term is unlikely to materialise. A simple or general way to define it, therefore, is as an attitudinal variable:

'Job satisfaction is simply how people feel about their jobs and different aspects of their jobs. It is the extent to which people like (satisfaction) or dislike (dissatisfaction) their job (Spector, 1997).'

Locke (1976) defined job satisfaction as *'a pleasurable positive emotional state resulting from the appraisal of one's job or job experiences.'*

Locke and Lathan (1976) give a comprehensive definition of job satisfaction as *'pleasurable or positive emotional state resulting from the appraisal of one's job or job experience.'*

An alternative approach is that proposed by Sousa-Poza and Sousa-Poza (2000) based on the assumption that there are basic and universal human needs, and that, if an individual's needs are fulfilled in their current situation, then that individual would be happy. This framework postulates that job satisfaction depends on the balance between work-role inputs-such as education, working time and effort-and work-role outputs-wages, fringe benefits, status, working conditions and intrinsic aspects of the job. *If work-role outputs (pleasures) increase relative to work-role inputs (pains), then job satisfaction will increase* (Sousa-Poza and Sousa-Poza, 2000).

Rose (2001) viewed job satisfaction as a bi-dimensional concept consisting of intrinsic and extrinsic satisfaction dimensions. Intrinsic sources of satisfaction depend on the individual characteristics of the person, such as the ability to use initiative, relations with supervisors, or the work that the person actually performs. These are symbolic or qualitative facets of the job. Extrinsic sources of satisfaction are situational and depend on the environment, such as pay, promotion, or job security; these are financial and other material rewards or advantages of a job. Both extrinsic and intrinsic job facets should be represented, as equally as possible, in a composite measure of overall job satisfaction.

Mumford has also defined job satisfaction as:

'The attainment of a good 'fit' between what the employee is seeking from his work- his job needs, exceptions and aspirations – and what he is required to do in his job – the organisational job requirements which mould his experience.'

Job satisfaction is the result of employee's perception of how well his/her job provides those things that are viewed as important. Luthan (1998) posited that there are three important dimensions to job satisfaction:

- Job satisfaction is an *emotional response* to a job situation. As such, it cannot be seen, it can only be inferred.

- Job satisfaction is often determined *by how well outcome meets or exceeds expectations*. For instance, if an organisation's participants feel that they are working much harder than others in the department but are receiving fewer rewards they would probably have a negative attitude towards work, the boss and or co-workers.
- Job satisfaction represents *several related attitudes* which are most important characteristics of a job about which people have effective response. These, to Luthans, are: the work itself, pay, promotion opportunities, supervision and co-workers.

Importance of Job Satisfaction

Clark (1998) summarises the importance of job satisfaction for both employers and their workers:

What is the importance of job satisfaction?

"Job satisfaction is important in its own right as a part of social welfare, and this (simple) taxonomy [of a good job] allows a start to be made on such questions as, 'In what respects are older workers' jobs better than those of younger workers?' (and vice versa), 'Who has the good jobs?' and 'Are good jobs being replaced by bad jobs?' In addition, measures of job quality seem to be useful predictors of future labour market behaviour. Workers' decisions about whether to work or not, what kind of job to accept or stay in, and how hard to work are all likely to depend, in part, upon the workers' subjective evaluation of their work, in other words, on their job satisfaction."

Factors Affecting Job Satisfaction

Job satisfaction is still considered by a number of critics to be a complex concept and difficult to measure objectively. A wide range of variables relating to individual, social, cultural, organisational and environmental factors affect the level of job satisfaction. The major factors that affect job satisfaction are:

- *Individual factors* include personality, education, intelligence and abilities, age, marital status, orientation to work.
- *Social factors* include relationships with co-workers, group working and norms, opportunities for interaction, informal organisation.
- *Cultural factors* include underlying attitudes, beliefs and values.
- *Organisational factors* include nature and size, formal structure, personnel policies and procedures, employee relations, nature of work, technology and work organisation, supervision and styles of leadership, management systems and working conditions.
- *Environmental factors* include economic, social, technical and governmental influences.

A strategic way of achieving job satisfaction is to establish a corporate culture that encourages communication and is directed towards quality work. It is particularly important for employees to see excellence rewarded, to not fear making mistakes, to work in an atmosphere of helpfulness, and to see a relationship between hard work and rewards.

Contractual Areas Relating to Job Satisfaction

There are five different areas relating to job satisfaction:

- The Knowledge Contract:** It is when the employees believe their skills are being adequately used and their knowledge is being developed to make them increasingly competent.
- The Psychological Contract:** It has been defined as '...the perceptions of the two parties, employee and employer, of what their mutual obligations are towards each other'. It is the psychological contract that effectively tells employees what they are required to do in order to meet their side of the bargain, and what they can expect from their job. A useful model of the psychological contract is offered by Professor David Guest of Kings College, London (Figure 3.6). In outline, the model suggests that:

Inputs	Contents	Outputs
Employee Characteristics	Fairness	Employee Behaviour
Organisational Characteristics	Trust	Performance
Human Resource Practices	Delivery	Commitment

Figure 3.6 *A Model of Psychological Contract (Adapted from Guest et al. 2002)*

- The extent to which employers adopt people management practices will influence the state of the psychological contract,
 - The contract is based on employees' sense of fairness and trust and their belief that the employer is honouring the 'deal' between them,
 - Where the psychological contract is positive, increased employee commitment and satisfaction will have a positive impact on business performance.
- (c) **The Efficiency/ Rewards Contract:** This is composed of three areas. First, the *effort-reward bargain*, which is the amount the employer is prepared to pay as opposed to the view of the employee about how much he is worth. Second, *work controls*, which may be tighter/loose but need to fit the employee's expectations. Third, the *supervisory control*, such as necessary back up facilities, e.g., information, materials, specialist knowledge, etc.
- (d) **The Ethical (Social Value) Contract:** It measures that the values of the employee match those of the employer organisation. In some organisations, performance is everything, while others value other factors. Some companies may be paternal or welfare oriented, while others aim to achieve the characteristics of successes. The better the match of an organisation's values with those of the employee, the higher the level of job satisfaction.
- (e) **The Task Structure Contract:** This involves the degree to which the employee's tasks are regarded as being demanding and fulfilling. According to Nguyen, Taylor and Bradley (2003), one of the variables that may be expected to influence job satisfaction is 'the degree of perceived autonomy that workers enjoy in the way they do their job'.

Organisational Factors Causing Job Satisfaction

Hodgetts (1991) has listed the organisational factors that can cause job satisfaction.

1. **Pay and Pay Benefits:** The importance of equitable reward in an organisation cannot be overemphasized. Fair promotion policies and practices add to job satisfaction (Witt & Nye, 1992). Across the population, pay is quite minor predictor of happiness, but within the organisations, relative pay is important, especially how much workers think that they are being paid equitably in comparison to others (Berkowitz *et al.*, 1987). If individuals believe they are not compensated well, they would be unhappy working for the organisation.
2. **Promotion:** The level of satisfaction depends upon the acceptability of the system in operation, be it system based on merit, or seniority, or a combination of the two.
3. **Job:** This would embrace:
 - *Skills variety:* The extent to which a job allows a worker to use different skills and abilities in executing his or her duties (Glisson and Durick, 1988);
 - *Challenge:* Interest and challenge derived from the job, in particular, moderate challenge (Katzell, Thompson & Guzzo, 1992);
 - *Lack of role ambiguity:* How clearly the individual understands the job (Gilsson & Durick, 1988).
4. **Leadership:** There has been endorsement of people centered or participative leadership as a determinant of job satisfaction (Miller and Monge, 1986).

5. **Work Groups:** It appears that good intra-group working and supportive colleagues have value in not permitting job dissatisfaction to surface, rather than promoting job satisfaction. Social factors are important—a worker feels satisfied if he belongs to a friendly and supportive working group, having a supervisor who uses the right skills, and belonging to an organisation which is fairly small, has few levels in the hierarchy, and where there is participation in decision making.
6. **Working Conditions:** Where working conditions are good, comfortable and safe, the setting appears to be appropriate for job satisfaction, though not necessarily high job satisfaction. Job satisfaction is partly innate (Arvey *et al.*, 1989). Extroverts generally have more job satisfaction, while those high in neuroticism have less, as is the case with happiness. Also important is the ‘fit’ between the person and the job, both in terms of ability and challenge, sociability and values.

In addition to the above, factors leading to job satisfaction are:

- (a) **Recognition:** Individuals at all levels of the organisation want to be recognised for their achievements on the job. Their successes don’t have to be monumental before they deserve recognition, but praise should be sincere.
- (b) **Responsibility:** Employees would be more motivated to do their jobs well if they have ownership of their work. This requires giving employees enough freedom and power to carry out their tasks so that they feel they ‘own’ the results.

Approaches to Work

There are three basic approaches to work: Is it a job, a career, or a passion? Depending on which type of work you are in right now, the things that give you satisfaction will vary.

- If you work at a **JOB**, the compensation aspects of the position will probably hold more appeal than anything else, and have the greatest impact on whether you stay or go.
- If you work at a **CAREER**, you are looking for promotions and career development opportunities. Your overall satisfaction is typically linked with your status, power, or position.
- If you work at a **PASSION**, the work itself is the factor that determines your satisfaction, regardless of money, prestige, or control.

Once you have identified the blend of status, power, or intrinsic enjoyment that need to be present in your work for you to feel satisfied, you then need to work on some of our seven ‘ingredients’ for a satisfying job. These ingredients are:

- Self-awareness
- Challenge
- Variety
- Positive attitude
- Knowing your options
- Balanced lifestyle
- A sense of purpose

Consequences of Job Satisfaction

It is a commonplace view that if an organisation does not create conditions for minimum level of job satisfaction, there would be loss of productivity, employee turnover, absenteeism, and morale. Herzberg *et al.* (1959) stated that (positive) satisfaction is due to good experiences, and that these are due to *motivators*—achievement, recognition, the work itself, responsibility and advancement. Dissatisfaction is due to bad

experiences caused by *hygiene* factors—supervisors, fellow workers, company policy, working conditions, and personal life (Herzberg et al., 1959). Job satisfaction affects:

- (a) **Work performance:** Ostroff (1992) maintains that there is a link between job satisfaction and performance at organisational level. Vroom (1964), after twenty studies, found no simple relationship, and only a low median correlation (0.14) between job satisfaction and job performance. Luthans suggests that, '*Although most people assume a positive relationship, the preponderance of research evidence indicates that there is no strong linkage between satisfaction and productivity.*' Two factors do improve job satisfaction and performance, viz., (i) job level and machine paced work (ii) job level or position in hierarchy. (Petty, McGee & Cavender, 1984);
- (b) **Employee turnover:** Argyle, in his work *The Social Psychology of Work*, suggested a probable relationship between employee turnover and job satisfaction. Employee turnover is of considerable concern for the management because it disrupts normal operations and causes morale problems for those who stay behind. Analyses have been made of job satisfaction and labour turnover, and the correlation is typically .20 to .30, and rarely greater than .40 (Mobley, 1982). Labour turnover correlates with different components of job satisfaction, but especially, satisfaction correlates with job content (Mobley et al., 1979).
- (c) **Absenteeism:** Absenteeism is a major problem at work. There is a negative relationship between satisfaction and absenteeism though the co-relationship is not high. Absenteeism is increased by job dissatisfaction. Half of the absenteeism is due genuine sickness, and is greater in less skilled workers. There is a clearer correlation with voluntary or unexcused absence which is not due to sickness. The relationship is stronger for women, manual workers, workers in larger firms and younger workers (Metzner and Mann, 1953). These are the people who are absent more. Smith (1977) states that outside factors can act to reduce the correlation between dissatisfaction and absenteeism.
- (d) **Commitment to organisation:** Commitment correlates with job satisfaction, and causation is in both directions. Meyer and Allen (1997) state that organisational commitment is a 'psychological state that (i) characterises the employee's relationships with the organisation, and (ii) has implications for the decision to continue membership in the organization' (p. 67). To Porter et al. (1974), commitment refers to attachment and loyalty. It is the relative strength of individual's identification with, and involvement in, a particular organisation. It consists of three factors:
 - A strong desire to remain member of an organisation;
 - A strong belief in acceptance of the values and goals of the organization;
 - Readiness to exert considerable effort on behalf of the organisation.

Tidbits

Components of Organisational Commitment

Meyer and Allen (1994) differentiated organisational commitment into three components, viz., affective, continuous, and normative. *Affective commitment* refers to employees' perceptions of their emotional attachment to, or identification with, their organisation (Meyer et al. 2002). *Continuous commitment* refers to employees' perceptions of the costs associated with leaving the organisation (Meyer et al. 2002; Kate and Masako, 2002). Finally, *normative commitment* refers to employees' perceptions of their obligation to their organisation (Meyer et al. 2002). For instance, if an organisation is loyal to the employee, or has supported his/her educational efforts, the employee may report higher degrees of normative commitment.

MEASURING JOB SATISFACTION

How do we measure job satisfaction?

Job satisfaction is usually measured with interviews or questionnaires administered to the job incumbents in question. Although interviews are used in some cases, most research is done with questionnaires. This is because interviews are expensive and time consuming to conduct. By contrast, one can survey large number of people with a paper and pencil questionnaire with very little effort or expense.

It is best to use existing scales. Several have been carefully developed and their validity and reliability has been established.

Spector (1997) has listed advantages of using the existing job satisfaction scales:

- (i) Many of the available scales cover major facets of satisfaction.
- (ii) Most existing scales have been used sufficient number of times to provide norms; comparison with norms can help in interpretation of results from a given organisation.
- (iii) Many existing scales have been shown to exhibit acceptable levels of reliability.
- (iv) Their use in research provides good evidence for construct validity.

The Job Satisfaction Survey

The *Job Satisfaction Survey* assesses nine facets of job satisfaction, viz., pay, promotion, supervision, fringe benefits, contingent rewards, operating conditions, co-workers, nature of work, and communication. The scale contains thirty six items and uses a summated rating scale format. Each of the nine facet subscales contain four items, and a total satisfaction score can be computed by combining all the items.

Job Descriptive Index

The *Job Descriptive Index* (Smith, Kendall, & Hulin, 1969) is perhaps the most popular scale for measuring job satisfaction. It measures Smith's five facets of job, viz., work, pay, promotions, co-workers and supervision. Figure 3.7 provides the definitions of these items and sample items for measuring each one. The entire scale contains seventy two items with either nine or eighteen items per scale.

Facet	Description
Work	Satisfaction with work and its attributes include opportunities for creativity and task variety and ability to increase one's knowledge, responsibility, work volume, autonomy, and complexity. Satisfying work appears to be one that can be accomplished and is intrinsically challenging (routine work)
Pay	Satisfaction with work based on the perceived difference between actual pay and expected pay, which, in turn, is based on perceived inputs and outputs of the job and the pay of other comparable employees. The personal financial situation of the employee, the economy, and the amount of pay an employee has received previously also influence satisfaction (income adequate for normal expenditure).
Promotion	Satisfaction with promotion is based on the employee's satisfaction with the company's promotion policy and the administration of that policy. It is thought to be a function of frequency of promotions, the importance of promotions, and the desirability of promotions (good opportunity for promotion).
Supervision	Satisfaction with supervision is based on an employee's satisfaction with his or her supervisor's knowledge and competence and the supervisor's warm, interpersonal orientation (hard to please).
People on the Job	Satisfaction with the people on the job, which is often called the <i>co-worker facet</i> , refers to satisfaction with one's fellow employees or clients. Separate facets may be created using the same items to measure satisfaction with people, such as staff, and satisfaction with clients (helpfulness).
Job in General	Satisfaction with job in general reflects the employee's global long term evaluation of his or her job. It subsumes the evaluation of the above five facets and the interactions, as well as the employee's evaluation of other long term situational and individual factors (better than most).

Adapted from W. K. Botzer, P.C. Smith, D.A. Kravitz, S.E. Lovell, K.B. Paul, B.A. Rely and C.E. Redy (1990) User's manual for Job Descriptive Index and the Job in General, (Bowling Green Off: Bowling Green State University) pp. 44-45.

Figure 3.7 Facets Measured by the Job Descriptive Index

Job Diagnostic Survey

Hackman and Oldham (1980) developed a scale, called the *Job Diagnostic Survey*, to measure each one of the variables of their model. The survey measures employee satisfaction with job security, pay, co-workers, and supervision. In addition, items measure growth satisfaction and general satisfaction. (See Figure 3.8).

Job Security@	The amount of Job Security I have How secure things look for me in the future of the organisation
Pay@	The amount of pay and fringe benefits I receive The degree to which I am fairly paid for what I contribute to the organisation
Co-workers*	The people with whom I talk and with whom I work The chances to get to know other people while on the job The chance to help other people while at work
Supervision*	The degree of respect and fair treatment I receive from my supervisor The amount of support and guidance I receive from my supervisor The overall quality of supervision I receive in my work
General@	How satisfied I am with my job The kind of work I do in this job The frequency with which I think of quitting my job (reverse scoring) How satisfied most of my co-workers are with their jobs The frequency with which my co-workers think of quitting their jobs
Growth@	The amount of personal growth and development I get in doing my job The feeling of worthwhile accomplishment I get from doing my job The amount of independent thought and action I can exercise in my job The amount of challenge in my job

@ The response format for items in these facets is a seven point scale ranging from extremely dissatisfied to extremely satisfied.

* The response format for items in these facets is a seven point scale ranging from disagree strongly to agree strongly satisfied

Source: Hackman, J.R. and Oldham, G.R. (1980) *Work Design* © Addison- Wesley Publishing Co. Inc.

Figure 3.8 Satisfaction Items from the Job Diagnostic Survey

Minnesota Satisfaction Questionnaire

The *Minnesota Satisfaction Questionnaire* (MSQ) is designed to measure an employee's satisfaction with his/her job. Three forms are available: two *long forms* (1977 version and 1967 version) and a *short form*. The Minnesota Satisfaction Questionnaire provides more specific information on the aspects of a job that an individual finds rewarding than the general measures of job satisfaction. It is useful in exploring client vocational needs, counseling follow-up studies, and generating information about the reinforcers in jobs.

The Minnesota Satisfaction Questionnaire is a paper and pencil inventory of the degree to which vocational needs and values are satisfied in a job. It can be administered to groups or individuals, and is appropriate for use with individuals who can read at the fifth grade level or higher. All three forms are gender neutral. Instructions for the administration of the questionnaire are given in the booklet. The Minnesota Satisfaction Questionnaire Long Form requires 15 to 20 minutes to complete. The Short Form requires about 5 minutes. Unless the 15 to 20 minutes required for the Long Form is impractical, it is strongly recommended that

the Long Form be used, as it provides much more information for the short additional administration time required. (Figure 3.9).

Ability Utilisation	Co-workers	Moral Values
Achievement	Creativity	Recognition
Activity	Independence	Responsibility
Advancement	Security	Supervision Human Relations
Authority	Social Service	Supervision Technical
Company Policies	Social Status	Variety
Compensation		Working Conditions

Additionally, a 20-item General Satisfaction scale is also scored.

Figure 3.9 Long form Minnesota Satisfaction Questionnaire- Measures Job Satisfaction on 20 Five-Item Scales

Reliability, the coefficient values for the 20-items Minnesota Satisfaction Questionnaire, range from 0.85 to 0.91.

Long Form Minnesota Satisfaction Questionnaire: There are two versions of the long form MSQ, a 1977 version and a 1967 version. The 1977 version, which was originally copyrighted in 1963, uses the following five response choices:

1. Very Satisfied
2. Satisfied
3. 'N' (Neither Satisfied nor Dissatisfied)
4. Dissatisfied
5. Very Dissatisfied

Normative data for the twenty one Minnesota Satisfaction Questionnaire scales for twenty five representative occupations, plus employed disabled and employed non-disabled workers, are in the Minnesota Satisfaction Questionnaire manual. A *ceiling effect* obtained with the rating scale used in the 1977 version tends to result in most scale score distributions being markedly negatively skewed most-responses alternate between 'Satisfied' and 'Very Satisfied.'

The 1967 version adjusts for this ceiling effect by using the following five response categories:

1. Not Satisfied
2. Somewhat Satisfied
3. Satisfied
4. Very Satisfied
5. Extremely Satisfied

This revised rating scale resulted in distributions that tend to be more symmetrically distributed around the 'satisfied' category, with larger item variance. Limited normative data are provided in the Minnesota Satisfaction Questionnaire manual for the 1967 version. For this reason the 1967 version of the questionnaire is best used where normative data is not required, such as prediction studies or within-organisation comparisons, where external norms are not necessary.

Short Form Minnesota Satisfaction Questionnaire : This form consists of twenty items from the long form questionnaire that best represent each of the twenty scales. Factor analysis of the twenty items resulted in two factors: *Intrinsic* and *Extrinsic Satisfaction*. Scores on these two factors plus a General Satisfaction score may be obtained. The short-form Minnesota Satisfaction Questionnaire uses the same response

categories used in the 1977 long form. Normative data for the three scales for six selected occupations are in the manual.

Michigan Organisational Assessment Questionnaire Subscale

The Michigan Organisational Assessment Questionnaire Subscale contains three overall satisfaction sub-scales (Cammann et al. 1979). The scale is simple and short, which makes it ideal for use in questionnaires that contain many scales. Reliability of tests has been reported as .77. For each item there are seven response choices: *Strongly disagree*; *Disagree*; *Slightly Disagree*; *Neither agree or disagree*; *Slightly agree*; *Agree*; *Strongly agree*. The items are totalled to yield overall job satisfaction score. Validity evidence for the scale is provided by research in which it has been correlated with many other work variables.

EXERCISE

REVIEW QUESTIONS

1. What is motivation? How can motivation affect an employee's behaviour?
2. What is job satisfaction? How can it be measured?
3. How does job satisfaction influence work behaviour?
4. Explain the factors influencing job satisfaction?
5. What are the determinants of job satisfaction?
6. How does job satisfaction influence work behaviour? Explain with reference to private sector in India.
7. What is motivation and why is it important?
8. How is Maslow's hierarchy of needs related to motivation in an organisation?
9. What is Herzberg's two factor approach to job satisfaction and dissatisfaction? Why has this approach been criticised?
10. Discuss the different types of motivation by which supervisors motivate their subordinates.
11. "Motivated workers are more productive and work more efficiently." Discuss.
12. Briefly describe the Maslow's Need Hierarchy Theory.
13. Write notes on the following:
 - (i) ERG theory
 - (ii) Theory X and Y
 - (iii) Acquired Need Theory
14. Discuss process theories in detail.
15. Which motivation theory is based on the relationship between behaviour and its consequences on need? Explain.
16. What do you understand by job satisfaction?
17. Discuss the different factors in detail that influence job satisfaction.
18. What are the consequences of satisfaction and dissatisfaction at workplace?
19. List out the actions that can be taken to minimise dissatisfaction at workplace.

FILL IN THE BLANKS

1. The earliest industrial psychology theories of motivation were based on the notion of _____, principally driven by psychodynamic theories of personalities.
2. _____ is a composite expression of attitudes of various individuals employed by the organisation, which is ultimately reflected through the generalised feeling of the individual as well as members of work group.

3. The _____ is a paper-and-pencil inventory of the degree to which vocational needs and values are satisfied on a job.
4. The Job Diagnostic Survey measures employee _____ with job security, pay, co-workers, and supervision.
5. Motivators or intrinsic factors, such as achievement and recognition, produce _____.
6. The Theory of _____ is based on the principle that difficult goals stimulate performance and commitment
7. Need Hierarchy Theory is given by _____.
8. Douglas McGregor, a professor at the Massachusetts Institute of Technology and a social psychologist, has given the _____ theory.
9. The need for achievement, need for affiliation and need for power are the three needs proposed by _____.
10. The expectancy theory of motivation was given by _____.
11. Salary is an employer-related factor that influences the satisfaction of an employee. This statement is _____.
12. Dissatisfied workers are more accident prone as compared to satisfied workers. This statement is _____.

ANSWERS TO FILL IN THE BLANKS

- | | | | | |
|---------------------|----------------------|--|-----------|-------------------|
| 1. Instincts. | 2. Morale. | 3. Minnesota Satisfaction Questionnaire. | | |
| 4. Satisfaction. | 5. Job satisfaction. | 6. Goal setting | 7. Maslow | 8. Theory X and Y |
| 9. David McClelland | 10. Vroom | 11. True | 12. True | |

Chapter 4

Stress Management

LEARNING OBJECTIVES

After reading this chapter, you will be able to understand:

- What is stress
- Characteristics of stress
- Causes and levels of stress
- Managing stress

INTRODUCTION

The nature of the workplace and the working conditions within the organisational environment are rapidly changing. Contemporary workplaces now depend entirely on human capital with an increased knowledge mind-set, greater reliance on technology and a thirst for organisational efficiency and process optimisation (Dollard, 2003). With this modern cultural change comes an increasing obligation for employees to perform at higher levels of intensity, while an escalating managerial directive forces them to improve both the quantitative and qualitative aspects of their role. Evidently, a byproduct of this new organisational environment is greater level of employee resistance stemming from an atmosphere fuelled by conflict, stress, and often a misrepresented view of workplace justice. Majority of this conflict and stress is attributed to 'work design and the organisation and management of work, and the employee's social and environmental contexts, which have the potential for causing psychological, social and even physical harm'(Cox *et al.* 2000).

Stress at work is a well known factor for low motivation and morale, decrease in performance, high turnover and sick leave, accidents, low job satisfaction, low quality products and services, poor internal communication and conflicts, etc. (Schabracq and Cooper, 2000; Murphy, 1995; McHugh, 1993). The *British Industrial Society Survey* (2001) indicated that 91 per cent of the four hundred ninety only human resource and personnel professionals questioned believed stress to be a problem in their organisation. More specifically, 36 per cent believed that it was a significant problem and 5 per cent indicated that it was a serious problem. In 2003, the *Health and Safety Executive* (HSE), an agency of the United Kingdom Government, estimated that industry in the United Kingdom loses £370 million a year because of stress.

There is no doubt that stress has sometimes had rather 'elitist' overtones; it has traditionally been associated with executive and managerial occupations. This perception was based on assumed high workload and decision making responsibilities managers had to cope with. Most of the companies today have managers working long hours, at a fast pace, in a competitive organisational culture, where a significant proportion of employees are under notice of having their employment terminated. The managers recently had to cope with 'downsizing, and, in the last decade, the perception of job insecurity has certainly increased, particularly amongst managers (Sparks *et al.* 2001). Armenakis and Bedeian (1999, p. 307) considered stress as an obstacle to change planning and implementation, and they argued that:

Receptivity, resistance, commitment, cynicism, stress, and related personal reactions are clearly relevant criterion variables to be considered in the framework of planning and implementing an organisational change.

Perceptions of stress at work are quite high with several studies suggesting that 40 per cent to 60 per cent of all employees rate their jobs as being stressful or extremely stressful, with impact on family balance and health. In a recent poll by the US based True Careers, more than 70 per cent workers think that a healthy balance between work and family life does not exist. More than 50 per cent of the 1,626 workers were exploring new career opportunities because of their inability to manage both work and family stressors.

WHAT IS STRESS?

The common expression for stress is *tension*. One is said to be tense when there is some anxiety, some fear of whether the desirable things may happen, whether something may go wrong, etc. It is a state of discomfort felt in the mind and experienced by the body. When there is tension, the body may become weak.

What is stress?

Hammond points out that there are three distinct stress literatures:

- (a) Literature which looks at social and psychological aspects
- (b) Ergonomics literature is concerned with human factors and is primarily laboratory based and highly experimental in approach
- (c) Stress is also studied from the pscho-physiological and neuroscience perspective

Physical Stressors	Mental Stressors
Environmental Heat, cold, or wetness Vibration, noise, blast Hypoxia (insufficient oxygen), fumes, poisons, chemicals Skin irritants or corrosives Physical work Bright light, darkness, haze, and obscurity	Cognitive Information: too much or too little Sensory overload <i>versus</i> deprivation Ambiguity, uncertainty, isolation Time pressure <i>versus</i> waiting Unpredictability Organisational dynamics Hard choices <i>versus</i> no choices Recognition of impaired functioning
Physiological Sleep debt Dehydration Malnutrition, poor hygiene Muscular and aerobic fatigue overuse or underuse of muscles, organ systems Illness or injury	Emotional Fear and anxiety producing threats (of injury, disease, pain, failure, loss) Grief-producing losses (bereavement) Resentment, anger and rage producing frustration threat, loss, and guilt Boredom producing inactivity Conflicting motives (worries about home, divided loyalties) Spiritual confrontation or temptation causing loss of faith Interpersonal feelings

Figure 4.1 *Types of Physical and Mental Stressors*

Definition

Define stress?

In management literature, *stress* is defined as '*a response of the human body to a felt need.*'

When one is hungry and there is an urge to eat food, the body is in a state of stress, which disappears when the need is fulfilled. This definition suggests that stress is a desirable condition, making one move towards fulfillment of needs. This is partly true. Stress also occurs when the need arises out of fear, and the urge is to escape. This may, sometimes, not be possible. In that case, there is no movement, the need remains unfulfilled and the stress condition does not disappear.

R.S. Schuler has defined stress as,

A dynamic condition in which an individual is confronted with an opportunity, a demand, or a resource related to what the individual desires, and for which the outcome is perceived to be both uncertain and important.

Cox states that '*it is useful to think of stress as embedded in an ongoing process which involves individuals interacting with their environment, making appraisals of those interactions and attempting to cope with the problem that arises.*'

Edwards suggests stress is the result of a '*lack of fit between a person (in terms of personality, aptitudes and abilities) and the environment, and a consequent inability to cope effectively with the various demands that it makes of him or her.*'

In the Maxwell Report, stress is defined as, '*the harmful physical and emotional responses that occur when the requirements of the job do not match the capabilities, resources, or needs of the worker* (Maxwell, 2004, p. 39).'

Causes of Stress at Work

Stress is not caused by any external factor. It is created by oneself, by the way one thinks about the external factors. Yet, there are situations in which most people tend to get stressed. These are called *stressors*. An important test in life, like a final examination, a transfer of residence, separation due to marriage, divorce or change of job, difficult financial demands, serious illness, likelihood of unpleasant secrets becoming revealed, are common stressors (See Figure 4.2). Welcoming and entertaining important visitors or delivering a speech for the first time also cause considerable stress. Daniels et. al. (2003) states that there are nine sources of workplace stress:

What are the causes for stress?

1. Poorly designed/managed workload
2. Poorly designed/managed work scheduling
3. Poorly designed/managed physical environment
4. Poorly designed/managed other sources of demand
5. Lack of skill discretions
6. Lack of decision authority or other forms of control
7. Lack of support
8. Poorly designed/managed procedures for eliminating conflict (for example bullying/ harassment)
9. Individual differences

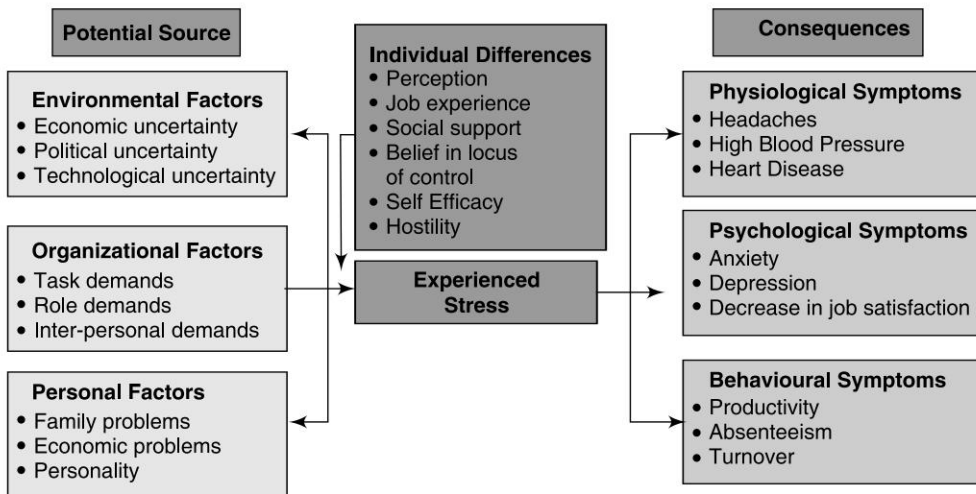


Figure 4.2 Model of Stress

Other Stressors

At work, the following stressors may be in addition to the ones given by Daniels et. al. (2003)

What are the stressors at work?

- Needs not met. These could be needs for power, for fulfillment, for use of knowledge
- Not being included in the group you want to belong to
- Not being recognised or valued for one's competence
- Feeling that one is not adequate for the task, particularly when compared to someone else
- Being denied what is due (rewards, work)
- Monotony or boredom

- Inequity in rewards, assignments
- Very little opportunity for growth
- Too little work, hence boredom
- Inadequate resources to do the assigned work, creating possibilities of failures
- Conflict in values at work, being required to do what one does not like to do
- Too many and conflicting demands at work from the role set
- Responsibilities not clear, ambiguity on what is expected
- Understandable, unpredictable, temperamental boss
- New unfamiliar work
- Being blamed

On close analysis, it would be found that all of the above situations are, in some way or the other, causing perceptions of possible failure at work or non-recognition and consequent loss of self-esteem.

Role Stressors

What are role stressors?

At work, we are managed by what roles(s) we occupy. A role can be defined as '*the set of expectations others have of a role incumbent's behaviour*.' Role can stress in a number of ways.

1. **Role Ambiguity:** Organisational commitment, job involvement, and job satisfaction reduce in case of role ambiguity. Role ambiguity generally occurs due lack of information or information deficiency. It increases tension, anxiety, and the intention to leave the organisation (Jackson and Schuler 1985). Role ambiguity is likely to be even more prevalent as pressure for flexibility and responsiveness in the organisation increases.
2. **Boundary Spanning Roles:** These are roles assigned to work force to project/ take activities of the organisation to the outside world. In doing so, they carry higher than average level of stress. This is primarily to project the organisation as an excellent one. In boundary spanning roles, an individual is exposed to novel and unanticipated problems, as he or she tries to develop relationships with different types of clients.
3. **Single Role Conflict:** This stressor is caused by the various components of a role becoming difficult to reconcile. *Single Role Conflict* is primarily prevalent at first line supervisory roles. Even in non-supervisory roles, role conflict can exist. Hemingway and Smith (1999), in their study of the impact of organisational climate and their occupational stressors on 'withdrawal behaviours' in nurses, found role conflict was the best single predictor of turnover intentions higher than even having to deal with death of patients.

An employee's psychological reactions to organisational stress include organisational commitment, turnover intention, psychological contract and organisational justice. These affect the organisation, mainly due to the employee behaviour these are likely to cause.

TYPES OF STRESS

How many types of stress are there?

There are two kind of stress viz. *Eustress* and *Distress*. *Eustress* is the condition in which there is drive and effort to achieve goals, motivation is high, achievement is seen as possible, the situation is challenging and the stress disappears when the objective is achieved. There is success in the end. *Distress* is the condition when there is a sense of helplessness in being unable to achieve, the feeling is of frustration as there is no chance of success. Maybe there is no attempt being made, because success is seen as impossible. This is a dysfunctional stress condition, also referred to as distress.

EuStress is necessary for the person to be fully alert, for all his faculties to come into play to face the situation. For example, a goalkeeper in football or hockey is totally relaxed when the ball is at the other end of the ground, but becomes extremely alert as the ball moves towards him. His body stiffens, his eyes begin to bulge, focusing on the ball and the movement of the players, picking up the slightest of movements, and every nerve and muscle is ready to respond to those movements. That is EuStress, without which the goalkeeper cannot be at his best. Eustress is also experienced by the batsman in cricket when the bowler is about to deliver the ball, and by the tennis player when the ball is about to be served at the other end.

Stress is Physical

When the goalkeeper, or the batsman, or the tennis player, experiences Eustress, there are changes in his/her physical system. The muscles become tense, the eyes become sharper as compared to when one is under severe distress, the person sweats, the body becomes weak and loses strength.

Is stress physical?

Study of stress shows that the response from an individual is the same whether it is eustress or distress, only the degree varies. When one senses danger, one is tempted to both stand and fight to ward off the danger and run away—flight. The body conditions itself for either event, automatically causing changes in the normal secretions of hormones and other chemicals, withdrawing from activities that are less important and diverting to activities that should have higher priority in the situation.

The abnormal conditions manifest as diseases and one suffers from high blood pressure, cardiac disorders, peptic ulcers, insomnia, constipation, fatigue, colitis, kidney problems, etc. Behaviourally, at work, these lead to absenteeism, alcoholism, use of drugs, marital disharmony, and so on, which are both organisationally and socially undesirable.

Stress is Psychological

Stress is experienced when one perceives a threat and the fight or flight response is called for. This perception is an interpretation that one makes of the external factors. When one sees a dog on the street baring its teeth, one may either be frightened or remain calm. Both fright and calmness are psychological reactions. When one becomes anxious in a situation, the anxiety is not due to the situation but what one thinks about the situation. If one is confident of tackling the situation, there is no anxiety. Therefore, the level of stress is caused by one's own perception of one's capability to cope with the situation. Thus, stress is a psychological response, depending upon one's level of fear, confidence, anxiety, anger, hurt, etc. The physical response is an automatic sequel to one's psychological condition. The physical changes depend on the extent of fear or confidence, etc. Therefore, the management of stress essentially is in the control one has on one's emotions.

Is stress psychological?

LEVELS OF STRESS

There are four basic levels of stress symptoms. The first is the normal initial response and is characterised by increased heart beat, increased blood pressure, dilation of pupils, sweat in palms and reduced activity in the stomach.

How many levels of stress are there?

At the second level, there is more irritability, stuttering and stammering, difficulty in concentrating, restlessness, lack of appetite and tendency to increased smoking or drinking for those so habituated.

At the third level, there are more headaches, stomachaches, diarrhea, sweating, insomnia, depression, etc.

The fourth level is characterised by ulcers, stroke, alcoholism, drug addiction, psychosis, etc.

MANAGING STRESS

How is stress managed?

Stress cannot be avoided. It should not be avoided. Without stress, there would be no attempt to try the difficult and one would give up much too easily. One would not succeed in doing even what one is easily capable of, because even the normal faculties would not come into play. For example, if the goalkeeper, be remained relaxed even at the last minute, *he would not be able to perform the task.*

Two aspects need to be taken care of in managing stress. First is that one should not develop stress to the point that he/she becomes non-functional, like Arjuna laying down his arms at the start of the Battle of Kurukshetra. The second is to try to get back to normal as quickly as possible, and not continue to be in a state of stress for too long.

The former is essentially achieved by an attitude that is developed by rational thoughts. The first step is to realise that one's perceptions often distort the reality. The situation may not be as bad as it may seem to be. The second step is to understand that a failure is not an unmitigated disaster. It is not possible to succeed all the time. It is not even necessary to succeed all the time. One failed effort does not mean that the person is no good. Nobody has succeeded without many losses. Marconi and Thomas Alva Edison succeeded in their inventions after many attempts that failed. They saw failures as opportunities to learn.

The third step is to recognise that worry and anxiety would not modify the situation, but would only disturb one's *peace of mind and health*. On observing the passengers at airports and railway stations, one would find that some remain quite relaxed and even sleeping while others are continuously making enquiries about the extent and causes of delays. Such constant enquiries only irritate, but do not expedite solutions. They add to stress of self and others.

Another very valid concept is postulated in the Bhagwat Gita. *'You can only do. The results are not in your hands. The results, called failures or successes, are in the future. One does not have control on the future. One can acquire some control on the present, and that is what one does. Also, the success or failure does not depend only on what one does. Many other factors impinge'*. Therefore, the Gita proposes, *'Do your duty and do not worry about what the consequences or fruits may be. Only thoughts about the possible desirability of the fruits cause anxieties'*. Mother Teresa had expressed the same thought, when she reportedly said to the industrialist, J.R.D. Tata, "Why are you worrying about poverty? Your work is to open more industries, give more employment to people and leave the rest to God."

A situation that causes stress is a problem situation. The solution needs generating managerial options. People lose tempers and abuse officials as a result of stress. None of these solve the problems that may exist. Problem solving needs calm, clear, analytical thinking. Clarity of thought and analysis improves with eustress and deteriorates with distress. Managerial alternatives and options would only be seen when one 'is concerned' with the matter, not when one is 'anxious'.

Awareness that 'nothing is perfect' and that 'anything that can go wrong will go wrong,' helps to cope with the stress situations. People who always demand of excellence themselves are likely to develop high stress. Perfection is not necessary. It may also not be possible. Satisfaction is often the only available option.

At work, one must learn to delegate. Many people believe that they alone can do certain tasks. The golden rule is to make this statement invalid as quickly as possible. Stress is only one reason for doing so. The positive outcomes are many. As one rises in the hierarchy, it would be impossible to do all the jobs that have to be done. One needs to pass them on to others. Time spent in making this happen is good investment for the future.

Getting back to normal is relatively easy. One only has to get one's mind into a condition in which there is no stress. Any pleasant activity would make this possible. Hobbies help and the practice of Yoga is excellent to relax one's body and mind. Stress is relieved when one can share one's thoughts and feelings

with someone else. Good tunes and *ragas*, like in *bhajans* and *ghazals*, have the capacity to soothe one's nerves, even if one is not listening.

As a Manager

As boss, one can ensure that subordinates are not put to undue stress, and also that they are helped to get out of stress situations as quickly as possible. The required steps are:

- Recognise the stress levels
- Show concern
- Encourage talking
- Listen
- Empathise
- Explain and show how work can be done, or how he/she can come out of tension
- Reassure
- Provide support
- Discuss and involve them in decisions
- Show respect to individuals
- Avoid insult, denunciation, abuse, reprimand, particularly in public
- Avoid manipulation, coercion, blaming
- Avoid pressurising too much
- Provide social support

What actions can a manager take to manage stress?

All the above render support and help to reduce anxiety. It is not suggested that the demands on people should be lowered. People like challenges. They must be given challenging assignments. That is the only way to growth. But, if there is a sensing of extreme stress, it should be managed through reassurance, not by withdrawing the assignment.

Personality Types

Studies on stress have identified that Type A personalities tend to get stressed much faster than Type B personalities. The characteristics of a *Type A* personality are an intense urge to achieve, impatience and restlessness, always on the move, hurrying, doing more than one task at a time. The individual keeps a heavy and tight schedule and dislikes waiting and relaxing. *Type B* is exactly the opposite, takes things easy, finds time to relax, is not impatient and is not obsessed with winning all the time.

How are different personality types affected by stress?

Instruments have been developed to identify the type of any person. But no one is fully Type A or Type B. It is possible to move from one type to another. It is not as if Type B is a more desirable personality, because stress is not the only factor relevant for effectiveness. Achievement is equally important for effectiveness, and there Type A has a better chance to win.

Time Management

Inadequacy of resources is a common stressor. One needs resources to do a job, and if they are not available, there could be stress. One important resource is time. Many people find that they do not have enough time to do a job. Deadlines seem to be difficult to meet. This is true of individuals as well as of collectives. We read of committees asking for extension of time to do their jobs; of projects not being completed on time. Unfortunately, time is one resource that nobody can give more or take away. Everybody has a definite amount of time available. Studies show that people are poor planners in terms of usage of time as a resource. Time is wasted in a number of ways. Therefore, if one learns ways to manage one's time better, there could be a better control on stress.

How does time management help in limiting stress?

Time is wasted because of:

- Non-productive work, like searching for files, papers and references
- Available information being inadequate or incomplete
- Meetings and lengthy reports
- Indecisiveness, unable to make up one's mind
- Correcting errors in instructions, assignments
- Clarifying goals and roles
- Too much routine, paperwork
- Lack of prioritisation

Once the cause is known, the remedy should be obvious. The best way to know the cause is to keep a detailed log of how one is using his time over a period of a week or so. Some of the remedies include readjustment of personal habits, like planning on priorities, avoiding drift in meetings, not insisting on perfectionism, etc. Some remedies would be in the nature of reorganising work systems in the office so that search and corrections are made minimal. Some would be in the nature of training others for better work practices, so that supervision is less.

Indecisiveness has been mentioned as a time waster. This may happen because of lack of clarity on objectives, or because of fatigue, and the mind not being able to concentrate. Both are avoidable. Indecisiveness can also happen because of lack of knowledge on the subject. The time one takes to study a matter depends on one's skill. Experienced people run through a 100 page file, without reading every page, but picking up the important and relevant matter, while others may have to spend double the time reading every paper to determine its relevance. Thus, one way to manage time better is to improve one's skills at work.

ORGANISATIONAL CONSEQUENCES OF STRESS

What are the organisational consequences of stress?

Studies show that, in general, high levels of stress reduce performance. However, a curvilinear relationship between stress and job performance may exist in that moderate levels of stress actually improve productivity, increase energy levels, and heighten creativity (Muse, Harris & Field, 2003).

Burnout

Burnout, the state of being overwhelmed by stress, is usually experienced by highly motivated professionals faced with high work demands. People who feel burned out lack energy, and are filled with frustration and tension. Emotional symptoms of burnout include dreading coming to work each day (Cordes & Dougherty). People who are burned out display detachment toward the people with whom they work. Eventually they become depressed and respond to burnout through absenteeism, turnover, and lower performance (Parker & Kulik, 1995).

Tidbits

Signs of Burnout

- Less Energy
- Lower productivity
- Consistently late for work
- Complaining and negativity
- Forgetfulness
- Decreased concentration
- Apathy
- Feeling of little impact on co-workers or the organisation
- Feeling overwhelmed
- Frustration and tension

Absenteeism and Turnover

Absenteeism and turnover are highest during burnout and increased stress, resulting in loss of productivity and revenue. A study by Heaney and Clemans (1995) indicates that stress and stress related illness best explain absenteeism.

Drug and Alcohol Abuse

It has been observed that there is direct relationship between rise in stress level and abuse of drugs. Owing to increase in alcohol and drug abuse in organisations, many companies have established special programmes to help their employees.

STEPS TO BE FOLLOWED IN STRESS MANAGEMENT

Identifying unrelieved stress and being aware of its harmful effects on our lives is not sufficient. Just as there are many sources of stress, there are many possibilities for its management. However, all require work toward change: changing the source of stress and/or changing our reaction to it. How do we proceed?

What are the steps to be undertaken to effectively manage stress?

Firstly, *effective management* of change in the organisational environment would have an immediate impact on minimising the level of conflict. In turn, this would diametrically affect the amount of stress exhibited by employees during confrontational situations. Conflict has been directly attributed to organisational change—whether it is task, relationship or process conflict—since the majority of workplace disagreements start with change tension (Vakola, and Nikolaou, 2005, p. 39).

Secondly, *fair treatment*, organisational research has indicated that employees who believe they are being treated fairly and equitably within an organisation would tend to have lower stress levels, be less resistant to change and engage in acts which are entirely beneficial to the organisation, while those who feel the opposite would have higher stress levels, resist change entirely and engage in acts that are detrimental to the organisation (Barling and Philips, 1993).

Thirdly, *role of justice*, undoubtedly, the management of fairness and justice in the organisational context is critical to an employee's decision making process in determining his level of job satisfaction and willingness to continue.

EXERCISE

REVIEW QUESTIONS

1. What are the different roles of stress? Give examples of any two.
2. Critically examine the methods that can be used to limit stress at workplace.
3. How do you think can a manager help in reducing the stress at workplace?
4. Write short notes on the following:
 - (i) Eustress
 - (ii) Distress
 - (iii) Hyper-stress
 - (iv) Hypo-stress
5. What are the different causes of stress? Explain in detail.
6. Discuss the symptoms or signs of stress.
7. How do you address the cause of stress? Explain.

8. Define workplace stress. Explain different work-related stresses.
9. How can management deal with the stress at workplace? What are the steps that they have taken to reduce the stress at workplace?
10. What do you understand by burnout? How is it caused? How can it be prevented?

FILL IN THE BLANKS

1. Stress at work is a well-known factor for low _____ and _____, decrease in performance, high turnover and sick-leave, accidents, low job satisfaction, low quality products and services, poor internal communication and conflicts etc.
2. _____ is likely to be even more prevalent as pressure for flexibility and responsiveness in organization increases.
3. Absenteeism and turnover are highest during _____ and increased stress resulting in loss of productivity and revenues.
4. Clarity of thought and analysis improves with _____ and deteriorates with _____.
5. Stress is experienced when one perceives a _____ and the fight or flight response is called for.
6. Distress is one of the _____ (positive/negative) types of stress.
7. The common expression for stress is _____.
8. Stress is not caused by any _____ factor.
9. A _____ can be defined as 'the set of expectations others have of a role incumbent's behaviour'.
10. There are _____ basic levels of stress symptoms.
11. Studies on stress have identified that _____ personalities tend to get stressed much faster than _____ personalities.
12. Increasing self-awareness and personal growth is a _____ cause of stress.
13. Some stress is required for performing a job. This statement is _____.

PROJECT WORK

1. Interview an employee of your organisation to find out his/her main stresses and how he/she can cope with them.

ANSWERS TO FILL IN THE BLANKS

- | | | |
|------------------------|--------------------|-------------|
| 1. Motivation, morale, | 2. Role ambiguity, | 3. Burnout, |
| 4. Eustress, Distress, | 5. Threat | 6. Negative |
| 7. Tension | 8. External | 9. Role |
| 10. Four | 11. Type A; Type B | 12. Social |
| 13. True | | |

Chapter 5

Organisational Culture

LEARNING OBJECTIVES

After reading this chapter, you will be able to understand:

- What is organisational culture
- Levels of organisational culture
- Theories of organisational culture
- Characteristics of organisational culture
- Types of organisational culture
- Strength of culture
- Dominant culture, sub cultures and counter cultures
- Functions and importance of organisational culture
- Actions that must be taken for organisational success

INTRODUCTION

Culture can be defined either by a set of observable behaviours or by the underlying values that drive behaviour. In large organisations, vision statements, mission statements and statements of values are often formalised to describe the company's culture. Organisational culture is a system of values and beliefs that form the foundation of the organisation's management practices and behaviours (Denison, 1990). *Organisational culture* is the consciously or subconsciously accepted and followed way of life or manner of performing day-to-day activities in an organisation. Organisational culture adds several other critical elements to the concept of sharing; structural stability, depth, breadth, and patterning or integration (Schein, 2004).

As members of different occupations, we are aware that being a doctor, lawyer, engineer, accountant, or other professional involves not only learning technical skills but also adoption of certain values and norms that define that occupation. If we violate some of those norms we can be excommunicated, and even barred from practicing that occupation. The concept of culture helps us to explain the growth of the norms and values.

The presence of a strong and appropriate organisational culture has become essential for an organisation to function effectively and efficiently in the modern era. It plays an important role in determining and controlling employee behaviour at workplace. The core values, assumptions, norms, procedures, etc., that are followed in the organisation constitute its culture. These are, more often than not, accepted and followed throughout the organisation, without much deviation.

Considerable evidence suggests that leaders and organisations that understand and respond to both the complexities of the business environment and the basic needs of their people consistently outperform their less wise competitors by 30 percent to 40 percent (Pfeffer, 1998). This appears to be true for all industries, regardless of their size, age or type. For example, Fortune's '100 best' companies to work for are more likely to have cultures in which employees grow and have half the turnover rate (12.6 percent vs 26 percent), and nearly twice the applications for employment than of companies not on the list (Work and Family Newsbrief, 1999).

DEFINITION

Define Organisational Culture.

O'Reilly and Chatman (1996, p.160) define organisational culture as, '*A system of shared values (that define what is important) and norms that define appropriate attitudes and behaviours for organisational members (how to feel and behave)*'.

Becker and Geer (1960) define organisational culture as, '*A set of common understandings around which action is organised, . . . finding expression in language whose nuances are peculiar to the group.*'

Louis (1980) defines it as, '*A set of understandings or meanings shared by a group of people that are largely tacit among members, and are clearly relevant and distinctive to the particular group, which are also passed on to new members.*'

Allaire and Firsirotu (1984) defined organisational culture as, '*A system of knowledge, of standards for perceiving, believing, evaluating and acting . . . that serve to relate human communities to their environmental settings.*'

Schein (373-374) defined culture of a group as, '*A pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems*'.

Categories Used to Describe Culture

Observed behavioural regularities when people interact: The language they use, the customs, traditions that evolve, and the rituals they employ in a wide variety of situations (Goffman, 1959, 1967; Jones, Moore, and Snyder, 1988)

Group Norms: The implicit standards and values that evolve in working groups (Homans, 1950 and Kilmann and Saxton, 1983).

Espoused Values: The articulated, publicly announced principles and values that group claims to be trying to achieve, such as 'product quality' or 'price leadership' (Deal and Kennedy, 1982, 1999).

Rules of the Game: The implicit unwritten rules for getting along in the organisation; 'the ropes' that a newcomer must learn in order to become an accepted member (Schein, 1968, 1978).

Climate: The feeling that is conveyed in a group by the physical layout and the way in which members of the organisation interact with each other, with customers, or other outsiders (Ashkansay, Wilderom, and Peterson, 2000).

Habits of thinking, mental models, and linguistic paradigms: The shared cognitive frames that guide the perceptions, thought, and language used by the members of a group and taught to new members in the early socialisation process (Douglas, 1986; Hofstede, 2001).

Formal rituals and celebrations: The ways in which a group celebrates key events that reflect important values or important 'passages' by members, such as promotion, completion of important projects, and milestones (Deal and Kennedy, 1982, 1999).

HOW IS ORGANISATIONAL CULTURE DEVELOPED

When an organisation is founded, organisational culture forms and develops from the interaction between individual and the organisation. The organisational culture can be 'tasted' and 'smelled' through different business- and personnel-related processes. The degree to which an organisational culture, consciously and overtly rather than unconsciously and covertly, manifests itself influences how easily it can be managed and changed. When organisational culture changes, it involves changing surface level behavioural norms and artifacts, it can occur with relative ease. However, at the deepest levels, namely assumptions, ideologies, and human nature, it is very difficult and time consuming to create/change organisational culture (Kilmann, 1985).

How is organisational culture developed?

LEVELS OF ORGANISATIONAL CULTURE

Schein, (2004) gives out three main levels of organisational culture:

What are the levels of organizational culture?

- (a) **Artifacts:** This includes all the phenomena that one sees and feels when one encounters a new group with an unfamiliar culture. It includes the visible products of the group, such as the architecture of its physical environment, its artistic creations, its style, clothing, manners of address, myths and stories told about the organisation, its published list of values, its observable rituals and ceremonies, etc., (Schein, 2004, pp. 25-26).
- (b) **Espoused values and beliefs:** Espoused beliefs and values, according to Schein, are shared ideals and theories which may or may not actually guide behaviour. Espoused beliefs are the guiding principles that individuals and organisation aspire to (Schein, 1985, 1992) and may be found in statements of

goals or philosophies. Schein notes, *all group learning ultimately reflects someone's original beliefs and values, their sense of what ought to be, as distinct from what is*. Espoused beliefs are essentially understanding about the 'right way of doing things'. Young organisations can espouse good values but shifting priorities can dilute or even harm what the organisation actually does. Many companies say they value integrity, but, in reality, their employees consistently lie, cheat and steal to make a profit (Enron, SATYAM). Espoused beliefs may or may not be congruent with behaviour or theories in use. Awareness of inconsistencies between espoused beliefs and personal behaviour can create internal conflict, and force individuals to alter either their beliefs or their behaviour (Gold, 2002). Whatever the institution, the key point to keep in mind is that a basic understanding of the priorities a community or organisation practices brings far more clarity to its values than does a study of its mission and value statements.

- (c) **Underlying assumptions:** Schein defines the core of an organisational culture as being the underlying assumptions that members tend to share and take for granted. The latter assumptions (taken for granted) are reflexive and therefore generally unquestioned or unexamined. Basic assumptions are generalisations derived from past experiences of the individual which consist of internalised perceptions of the nature of persons or objects (including ideas) in the work environment. The generalisations prescribe how to relate to people in various roles and how to act in given circumstances. While basic assumptions are held by all individuals, they are covert and typically escape the conscious awareness of individuals. These conceptions held by individuals, hidden beneath the surface, exert a powerful controlling force over professional behaviour (Schein, 1985, 1992). Schein (1983) stresses the importance of self reflection in discovering one's generalised assumptions and making them explicit. He identifies self reflection as a key component of an effective professional practice. Professional reflection is an underutilised tool which has the potential for helping the individuals to examine the congruence between their knowledge, their values and their assumptions.

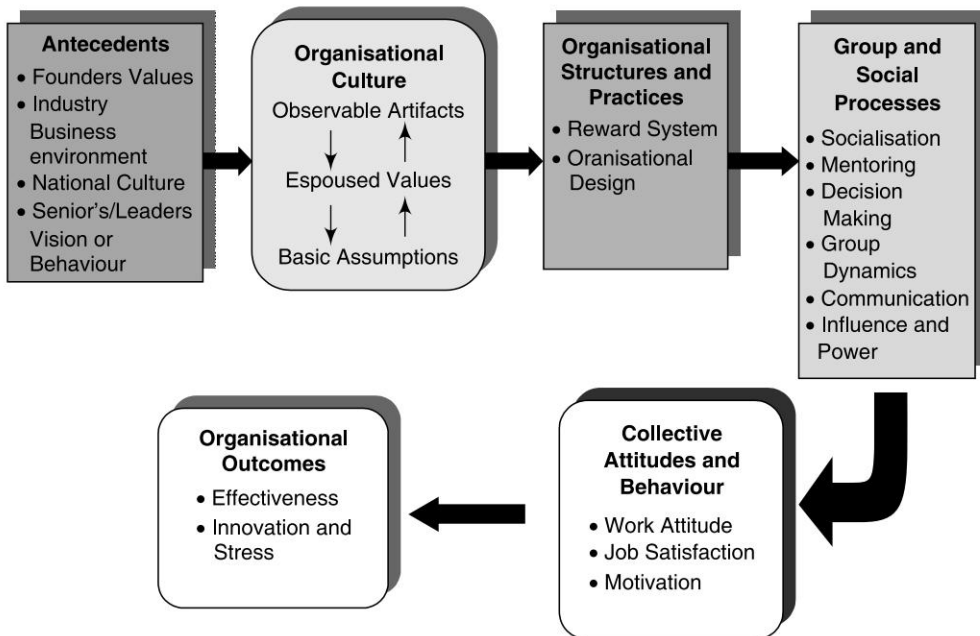


Figure 5.1 Understanding Organisational Culture

THEORIES OF ORGANISATIONAL CULTURE

Just as there are differing perspectives on what organisational culture is, there are differing perspectives regarding how it functions. Denison (1990) identifies four basic views of organisational culture that can be translated into four distinct hypotheses:

What are the perspectives regarding functioning of organisational culture?

1. **The Consistency Hypothesis:** The idea that a common perspective, shared beliefs and communal values among the organisational participants would enhance internal coordination and promote meaning and a sense of identification on the part of its members.
2. **The Mission Hypothesis:** The idea that a shared sense of purpose, direction, and strategy would coordinate and galvanize organisational members toward collective goals.
3. **The Involvement/Participation Hypothesis:** The idea that involvement and participation would contribute to a sense of responsibility and ownership and, hence, organisational commitment and loyalty.
4. **The Adaptability Hypothesis:** The idea that norms and beliefs that enhance an organisation's ability to receive, interpret, and translate signals from the environment into internal organisational and behavioural changes would promote its survival, growth, and development.

These hypotheses focus on different aspects of culture and stress its different functions. The first two hypotheses tend to encourage/promote stability, the second two allow for change and adaptability. The first and third hypotheses see culture as focusing on internal organisational dynamics, the second and fourth see culture as addressing the relation of the organisation to its external environment.

CHARACTERISTICS OF ORGANISATIONAL CULTURE

Which values characterise an organization's culture? Even though culture may not be immediately observable, identifying a set of values that might be used to describe an organisation's culture help us identify, measure, and manage culture more effectively. The character of culture provides the direction of the cultural impact. Robbins (1993) has listed ten characteristics of culture:

1. Member identity
2. Group emphasis
3. People focus
4. Unit integration
5. Control
6. Risk tolerance
7. Reward criteria
8. Conflict tolerance
9. Means-end orientation
10. Open system focus

Tidbits

Characteristics of Organisational Culture

Robbins (1993) has listed ten characteristics of organisational culture:

- Member Identity
- Group Emphasis
- People Focus
- Unit Integration
- Control
- Risk Tolerance
- Reward Criteria
- Conflict Tolerance
- Means-End Orientation
- Open System Focus

Organisational Culture Profile

Organisational culture profile was developed to examine the congruence between individual and organisational values (O'Reilly, Chatman, & Caldwell, 1991). In organisational culture profile, culture is represented by seven distinct values (Chatman & Jehn, 1991; O'Reilly, Chatman, & Caldwell, 1991). The organisational culture profile has been identified as a measure of culture and values as one facet of culture at the organisational level (Agle and Caldwell, 1999). Ashkansay, Broadfoot and Falkus (2000) reported that organisational culture profile was one of the only few instruments to provide details concerning reliability and validity.

Innovative Culture According to the organisational culture profile framework, companies that have innovative culture are flexible, adaptable, and experiment with new ideas. These companies are characterised by a flat hierarchy in which titles and other status distinctions tend to be downplayed.

Tidbits

Characteristics of Organisational Culture Profile

Organisational Culture Profile (OCP)—Seven Distinct Values:

1. Innovative Culture
2. Aggressive Culture
3. Outcome Oriented Culture
4. Stable Culture
5. People Oriented Culture
6. Team Oriented Culture
7. Detail Oriented Culture

Aggressive Culture Companies with aggressive culture value competitiveness and outperforming competitors. For example, Microsoft Corporation is often identified as a company with an aggressive culture. The company has faced a number of antitrust lawsuits and disputes with competitors over the years. In aggressive companies, people may use language such as, 'We will kill our competition.' In the past, Microsoft executives often made statements such as, 'We are going to cut off Netscape's air supply. Everything they are selling we are going to give away.' Its aggressive culture is cited as a reason for getting into new legal troubles before old ones are resolved (Greene, Reinhardt, & Lowry, 2004).

Outcome-Oriented Culture The organisational culture profile framework describes outcome-oriented cultures as those that emphasise achievement, results, and action as important values.

Stable Culture Stable cultures are predictable, rule oriented, and bureaucratic. These organisations aim to coordinate and align individual effort for greatest levels of efficiency. When the environment is stable and certain, these cultures may help the organisation be effective by providing stable and constant levels of output (Westrum, 2004, August). These cultures prevent quick action, and, as a result, may be a misfit to a changing and dynamic environment. Public sector institutions may be viewed as stable cultures. Its bureaucratic culture is blamed for killing good ideas in early stages and preventing the company from innovating.

People-Oriented Culture People-oriented cultures value fairness, supportiveness, and respect individual rights. These organisations truly live the mantra that 'people are their greatest asset.' In addition to having fair procedures and management styles, these companies create an atmosphere where work is fun and employees do not feel that they are required to choose between work and other aspects of their lives. In these organisations, there is a greater emphasis on and expectation of treating people with respect and dignity (Erdogan, Liden, & Kraimer, 2006). One study of new employees in accounting companies found

that employees, on an average, stayed fourteen months longer in companies with people-oriented cultures (Sheridan, 1992).

Team-Oriented Culture Companies with team-oriented cultures are collaborative and emphasise co-operation among employees. For example, Kingfisher Airlines Company facilitates a team-oriented culture by cross-training its employees so that they are capable of helping each other when needed. The company also places emphasis on training intact work teams. Employees participate in twice daily meetings, named morning overview meetings, and daily afternoon discussions where they collaborate to understand sources of problems and determine future courses of action. In Kingfisher's selection system, applicants who are not viewed as team players are not hired as employees. In team-oriented organisations, members tend to have more positive relationships with their co-workers, and particularly with their managers.

Detail-Oriented Culture Organisations with detail-oriented cultures emphasise precision and paying attention to details. Such a culture gives a competitive advantage to companies in the hospitality industry by helping them differentiate themselves from others. For example, Taj Group of Hotels and the Oberoi Group of Hotels are among hotels who keep records of all customer requests, such as which newspaper the guest prefers, or what type of pillow the customer uses. This information is put into a computer system and is used to provide better service to returning customers. Any requests hotel employees receive, as well as overhear, might be entered into the database to serve customers better. Recent guests to Four Seasons Paris, who were celebrating their 21st anniversary, were greeted with a bouquet of twenty one roses on their bed. Such clear attention to detail is an effective way of impressing customers and ensuring repeat visits. McDonald's Corporation is another company that specifies in detail how employees should perform their jobs by including photos of exactly how french fries and hamburgers should look when prepared properly (Markels, 2007, April 23).

In addition to the seven cultures, there are two dimensions not included in OCP list but have assumed importance lately.

Service Culture Service culture emphasises upon high quality service. It is not one of the dimensions of OCP, but given the importance of retail industry in the overall economy, having a service culture can make or break an organisation. Some organisations famous for their service culture include Maruti Suzuki, Taj Group of Hotels and Kingfisher Airlines. In these organisations, employees are trained to serve the customer well, and cross-training is the norm. Employees are empowered to resolve customer problems in ways they see fit. Because employees with direct customer contact are in the best position to resolve any issues, employee empowerment is truly valued in these companies. For example, HDFC Bank Ltd is known for its service culture. All employees are trained in all tasks to enable any employee to help customers when needed. Branch employees may come up with unique ways in which they serve customers better, such as opening their lobby for community events. They also reward employee service performance through bonuses and incentives.

Safety Culture Some jobs are safety sensitive. For example, defence forces, loggers, aircraft pilots, fishing workers, steel workers, and roofers are among the top ten most dangerous jobs in the India (Christie, 2005). In organisations where safety sensitive jobs are performed, creating and maintaining a safety culture is important. A culture that emphasises safety as a strong workplace norm provides a competitive advantage, because the organisation can reduce accidents, maintain high levels of morale and employee retention, and increase profitability by cutting workers' compensation insurance costs. Some companies suffer severe

consequences when they are unable to develop such a culture. In companies that have a safety culture, there is strong commitment to safety starting at management level and trickling down to lower levels.

TYPES OF ORGANISATIONAL CULTURE

Name the types of organisational culture

Deshpandé and Farley (1999) draw on research by Quinn (1988) to categorise four types of organisational cultures:

1. Competitive (which emphasises competitive advantage and market superiority)
2. Entrepreneurial (which emphasises innovation and risk taking)
3. Bureaucratic (which emphasises internal regulations and formal structures)
4. Consensual (which emphasises loyalty, tradition, and internal focus)

Organisations typically exemplify a combination of these four types of culture, but with an emphasis on a particular type.

STRENGTH OF CULTURE

How is organisational culture's strength determined?

All organisations have cultures; some appear to have stronger, more deeply rooted cultures than others. Organisational cultures differ in their strength. *Strength of a culture* refers to the amount of overlapping support and locations providing repetition of dominant cultural elements as well as the intensity of member identification with the culture. The character of the culture provides the direction of cultural impact and its strength provides its force. The stronger the culture, the more impact it can have on employee commitment, performance and on corporate decisions.

A strong culture is shared by organisational members (Arogyaswamy, & Byles, 1987; Chatman, & Eunyoung, 2003). In other words, if most employees in the organisation show consensus regarding the values of the company, it is possible to talk about the existence of a strong culture. A culture's content is more likely to affect the way employees think and behave when the culture in question is strong. There are three interrelated explanations for the performance benefits of strong cultures (Kotter and Heskett, 1992). *First*, widespread consensus and endorsement of organisational values and norms facilitates social control within the firm. When there is broad agreement that certain behaviours are more appropriate than others, violations of behavioural norms may be detected and corrected faster. Corrective actions are more likely to come from other employees, regardless of their place in the formal hierarchy. Informal social control is therefore likely to be more effective and cost less than formal control structures (O'Reilly and Chatman, 1996). *Second*, strong corporate cultures enhance goal alignment. With clarity about corporate goals and practices, employees face less uncertainty about the proper course of action when faced with unexpected situations and can react appropriately. Goal alignment also facilitates coordination, as there is less room for debate between different parties about the firm's best interests (Kreps, 1990; Cremer, 1993; Hermalin, 2001). *Finally*, strong cultures can enhance employees' motivation and performance because they perceive that their actions are freely chosen (O'Reilly, 1989; O'Reilly and Chatman, 1996).

A strong culture may sometimes outperform a weak culture because of the consistency of expectations. In a strong culture, members know what is expected of them, and the culture serves as an effective control mechanism on member behaviours. Research shows that strong cultures lead to more stable corporate performance in stable environments. However, in volatile environments, the advantages of culture strength disappear (Sorensen, 2002).

Tidbits

Elements of Strong Corporate Culture

- A widely shared real understanding of what the firm stands for, often embodied in slogans.
- A concern for individuals over rules, policies, procedures, and adherence to job duties.
- Recognition of heroes whose actions illustrate the company's shared philosophy and concerns.
- A belief in ritual and ceremony and building a common identity.
- A well-understood sense of the informal rules and expectations.
- A belief that it is important to share information and ideas.

DOMINANT CULTURE, SUB CULTURE, AND COUNTER CULTURE

Smaller firms often have a single *dominant culture* with a unitary set of shared actions, values, and beliefs. Larger organisations contain several sub cultures as well as one or more counter cultures (Deal and Kennedy, 1982; Peters and Waterman, 1982). This is the overall organisational culture, as expressed by the core values held by the majority of the organisation's members. When people are asked to portray an organisation's culture, they normally describe the dominant culture: a macro view that gives the organisation its distinct personality.

What is a dominant culture?

Subcultures are groups of individuals with a unique pattern of values and philosophy that is not inconsistent with the organisation's dominant values and philosophy (Schein 1985). These subsets of the overall culture tend to develop in larger organisations to reflect the common problems, situations, or experiences that are unique to members of certain departments or geographical areas. The sub culture retains the core values of the dominant culture but modifies them to reflect its own distinct situation. Strong sub cultures are often found in high performance task forces, teams, and special project groups in organisations. For example, there are strong sub cultures of stress engineers and liaison engineers in the Boeing Renton Plant and in most of the sub units in the Defence Forces in India.

What are sub cultures?

Highly specialised groups must solve knotty technical issues to ensure that Boeing planes are safe. Though distinct, these groups of engineers share in the dominant values of Boeing (Beyer and Trice, 1987). In contrast, *counter cultures* have a pattern of values and a philosophy that reject the surrounding culture (Agor, 1989).

What is a counter culture?

Within an organisation, mergers and acquisitions may produce counter cultures. Employers and managers of an acquired firm may hold values and assumptions that are quite inconsistent with those of the acquiring firm. This is known as the 'clash of corporate cultures.' When Coca-Cola bought Columbia Pictures, the soft-drink company found out too late that the picture business was quite different from selling beverages. It sold Columbia, with its unique corporate culture, to Sony rather than fight a protracted clash of cultures (Bazerman, 1994).

What are the problems of importing sub cultures?

Every large organisation imports potentially important sub cultural groupings when it hires employees from the larger society. In India, for instance, sub cultures and counter cultures may naturally form, based on caste, gender, generation, family social status or geographic location. In Japanese organisations, sub cultures are often formed, based on the date of graduation from a university, gender, or geographic location. In European firms, ethnicity and language play an important part in developing sub cultures, as does gender. In many less developed nations, language, education, religion, or family social status are often grounds for forming societal popular sub cultures and counter cultures.

There are three primary difficulties with importing groupings from the larger societies, and it affects the relationship/relevance of subgroups with the organisation as a whole. *First*, subordinated groups, such as members of a specific religion or ethnic group, are likely to form into a counter culture and work more diligently to change their status than to better the firm. *Second*, the firm may find it extremely difficult to

cope with broader cultural changes. For instance, in India, the expected treatment of women, minorities, and the disabled has changed dramatically over the last 20 years. Firms that merely accept old customs and prejudices have experienced a greater loss of key personnel and increased communications difficulties, as well as greater interpersonal conflict, than have their more progressive counterparts. *Third*, firms that accept and build on natural divisions from the larger culture may find it extremely difficult to develop sound international operations.

CULTURE AND FORMALISATION

How does culture help in formalisation of certain actions?

A strong organisational culture increases behavioural consistency. In this sense, it should be recognised that strong cultures act as a substitute for formalisation. Formalisation is done in an organisation by laying down rules and regulations to regulate the behaviour of an employee. High formalisation in an organisation creates predictability, orderliness and consistency. Strong culture achieves the same without need for written documentation. Therefore, we should view formalisation and culture as two different modes for achieving the same end. Stronger the organisational culture less is the need for developing formal rules and regulations to guide employee behaviour.

FUNCTIONS OF ORGANISATIONAL CULTURE

What are the functions of organisational culture?

Organisational culture has four functions:

- (a) **Organisational identity**: Organisational culture creates distinction between two organisations. It also conveys sense of identity for organisation members.
- (b) **Collective commitment**: Culture facilitates the generation of commitment to something larger than one's individual self interest. Culture is a social glue that helps hold the organisation together by providing appropriate standards for what employees should say and do (Robbins, 1993, p. 515).
- (c) **Sense making device**: Culture serves as a sense making and control mechanism that guides and shapes the attitudes and behaviour of employees.
- (d) **Social system stability**: The role of culture is influencing employees' behaviour. It has wide span of control, and limits independent functioning of a member detrimental to it. The shared meaning provided by culture ensures that everyone is pointed in the same direction.

Organisational culture also has its limitations:

- (a) **Barrier to change**: When the cultural values are not aligned with those that will increase the organisation's effectiveness in dynamic environments, they can create a barrier to implementing the necessary changes.
- (b) **Barrier to diversity**: There is a managerial conflict that exists because of culture. Organisations seek to hire people of diverse backgrounds in order to increase the quality of decision making and creativity. But strong cultures, by their very nature, often seek to minimise diversity. Balancing the need for diversity with the need for strong culture is an ongoing managerial challenge.
- (c) **Barrier to acquisitions and mergers**: One of the primary concerns in mergers and acquisitions in recent years has been the cultural compatibility between the two firms, as the main cause for the failure of these combinations has been cultural conflict.

IMPORTANCE OF ORGANISATIONAL CULTURE

Schein (1992) suggests that organisational culture is even more important today than it was in the past. Increased competition, globalisation, mergers, acquisitions, alliances, and various workforce developments have created a greater need for:

What is the importance of organisational culture?

- Coordination and integration across organisational units in order to improve efficiency, quality, and speed of designing, manufacturing, and delivering products and services
- Product innovation
- Strategy innovation
- Process innovation and the ability to successfully introduce new technologies, such as information technology
- Effective management of dispersed work units and increasing workforce diversity
- Cross-cultural management of global enterprises and/or multi-national partnerships
- Construction of meta- or hybrid- cultures that merge aspects of cultures from what were distinct organisations prior to an acquisition or merger
- Management of workforce diversity
- Facilitation and support of teamwork

ACTIONS ORGANISATIONAL CULTURE MUST TAKE FOR ORGANISATIONAL SUCCESS

Schein (1992) notes several requisites for organisational success that organisational culture must now take into account:

What actions should be taken to make organisational culture to make organizational success?

- The organisation must be proactive, not just reactive.
- The organisation must influence and manage the environment, not just adapt.
- The organisation must be pragmatic, not idealistic.
- The organisation must be future-oriented, not predominantly present/past oriented.
- The organisation must embrace diversity, not uniformity.
- The organisation must be relationship-oriented, not just task-oriented.
- The organisation must embrace external connectivity, as well as promote internal integration.

These fundamental assumptions are essential for eliminating obstacles that will inhibit the kinds of internal and external organisational adaptations necessary for future success. They are not, however, sufficient. They must be reinforced by values, behavioural norms and patterns, artifacts and symbols, as well as accompanied by a particular mission, set of goals, and strategies. Others emphasise more specific cultural mandates, such as, modern organisational culture must be:

- Team oriented (Sherriton and Stern 1997)
- Knowledge and learning oriented (see Chapter 5)
- Alliance and partnership oriented (see Chapter 9)

Another emerging mandate is to know when to emphasise and how to balance cultural maintenance and cultural innovation (Trice and Beyer 1991; Collins and Porras 1994). Managers must actively work to keep the existing organisation culture relevant to the present and future while maintaining some sense of continuity with the past. Collins and Porras (1994) found that companies with long-term success had a limited but strong set of timeless core values that did not prevent organisational change over time. These companies were able to preserve the core while stimulating progress.

BEGINNING OF CULTURE IN AN ORGANISATION

How is organisational culture established?

The ultimate source of an organisation's culture is its founder(s). Founders have a vision of what the organisation should be, and they are unconstrained by previous customs or ideologies. The new organisation's small size facilitates the founder's imposition of his/her vision on all organisational members. Founders create culture in three ways:

- **Employees selection**: Founders hire and keep only those employees who think and feel the same as the founders do.
- **Socialisation**: Founders indoctrinate and socialise their employees toward the founders' way of thinking and feeling.
- **Modeling**: The founder acts as a role model and encourages employees to identify with him/her, and to internalise the his/her beliefs, values, and assumptions. Any organisational success is attributed to the founder's vision, attitudes, and behaviour. In a sense, the organisation becomes an extension of the founder's personality.

SUSTAINING OF CULTURE

How is organisational culture sustained?

Organisations serve to maintain it by giving employees a similar set of experiences. These practices include the selection process, performance evaluation criteria, training and development activities, and promotional procedures: those who support the culture are rewarded and those who do not are penalised.

- (a) **Employee selection**: The selection process needs to identify potential employees with relevant skill sets; one of the more critical facets of this process is ensuring that those selected have values that are consistent with those of the organisation. Employees whose values and beliefs are misaligned with those of the organisation tend to not be hired, or self-select out of the applicant pool.
- (b) **Actions of top management**: The verbal messages and actions of top management establish norms of behaviour throughout the organisation. These norms include the desirability of risk taking, level of employee empowerment, appropriate attire, and outlining successful career paths.
- (c) **Employee socialisation**: New employees must adapt to organisational culture in a process called *socialisation*. While socialisation continues throughout an employee's career, the initial socialisation is most critical. There are three stages in initial socialisation. The success of this socialisation would affect employee productivity, commitment, and turnover.

Tidbits

Cross Cultural Perspective: Modes of Wealth Creation

Hampden-Turner & Trompenaars (1993) isolated seven different modes of wealth creation:

1. **Making Rules and Discovering Exceptions**: Organisations create rules, codes, procedures, routine to standardise work. These rules have to be flexible to deal with competitive standards, emergencies and exceptions.
2. **Constructing and Deconstructing**: The organisation should periodically examine the structure, and upgrade every prospect and process.
3. **Managing Communities and Individuals**: People are the most important resource and the organisation has to support them. They have to think of all stakeholders simultaneously for long term success.
4. **Internalizing the Outside World**: A successful enterprise needs to be alert to changes and developments in outside world and exploit fully the talent in own workforce.
5. **Synchronizing fast processes**: Organisations today need fast synchronized processes to succeed over their competitors.
6. **Choosing among achievers**: Promotion and selection should be based on ability, and rewards should be commensurate with contributions.
7. **Sponsoring Equal Opportunities to Excel**: Success depends in part on equality of opportunity and fair content. Organisations should be fair towards their employees.

CHANGING ORGANISATIONAL CULTURE

To change a culture, one has to change paradigms. According to Osborne and Plastrik, 'the first thing you have to do is get people to let go of their old assumptions'. In science, the key is what Kuhn calls 'anomalies'-problems the old paradigm cannot solve, realities it cannot explain, facts it cannot admit to be true. As these anomalies pile up, people begin to lose faith in the old paradigm. Thus, the manager needs to develop a change strategy which will:

What measures should be undertaken to change culture?

- Introduce anomalies and help people to perceive them
- Provide a clearly defined new paradigm
- Build faith in the new paradigm
- Help people let go of the old paradigm
- Give people time in the neutral zone
- Give people touchstones
- Provide a safety net

This requires that the whole plan be implemented at once. People begin to let go of their old paradigms when they run into experiences, facts, and feelings that cannot be explained by the old set of assumptions. These anomalies provoke 'dissonance' - conflicts between what one has experienced and what one knows to be possible. Often people cope by refusing to see the anomalies. When anomalies appear, they immediately define them as something else. If they are able to retreat to another part of the organisation and find support for their resistance, it is unlikely that the culture will ever change in the direction that the management has chosen.

Every paradigm shift is ultimately a leap of faith and for those who have faith only in the old culture, there is likely to be a great deal of anxiety about who to trust and where they would land. To build people's faith in a new culture, one must first earn their trust. None of us put our faith in people we don't trust. We must then prove to them that others who have made the leap before them have flourished, and to assure them that they too would flourish in the new culture. A paradigm shift begins with an ending. It begins when people let go of their former worldview—a frightening process that creates much of the resistance to change.

What this means is that in a transformation of culture, the management must be prepared to articulate the new culture completely, and to change the world abruptly. An abrupt change requires that there be plans, recipes, rules, instructions, which are the principal bases for the specificity of behaviour and an essential condition for governing it. Change is a time of uncertainty. Uncertainty causes anxiety. Managers should limit uncertainty, not by 'easing into a new programme', but by being explicit about expectations. Like them or not, knowing the new expectations and how they would be measured relieves uncertainty, and, for most, diminishes anxiety.

EXERCISE

REVIEW QUESTIONS

1. What is organisational culture? Define organisational culture.
2. Write a short note on the importance of organisational culture.
3. What is dominant culture? What is the role of sub culture in an organisation?
4. What is counter culture? What is the function of counter culture in an organisation?
5. What is the significance of change in an organisational culture? How can change in organisational culture be brought about?

6. Briefly describe the organisational culture and its importance in an organisation.
7. What are the different types of organisational cultures?
8. What are the steps taken by management for changing their organisational culture effectively?

FILL IN THE BLANKS

1. _____ can be defined either by a set of observable behaviors or by the underlying values that drive behavior.
2. The organizational culture can be _____ and _____ through these different business- and personnel-related processes.
3. _____ includes the visible products of the group, such as the architecture of its physical environment, its artistic creations, its style, clothing, manners of address, myths and stories told about the organization; its published list of values; its observable rituals and ceremonies etc.
4. Companies with aggressive cultures value _____ and outperforming competitors.
5. _____ cultures value fairness, supportiveness, and respecting individual rights, value fairness, supportiveness, and respect for individual rights.
6. Within an organization, mergers and acquisitions may produce _____.
7. New employees must adapt to the organizational culture in a process called _____.
8. Beliefs, morals, value systems, and behavioural norms are a part of culture. This statement is _____ (True/False).
9. Organisational _____ is the set of operating principles that determine how people behave within the context of the company.
10. The culture where core values are shared by a majority of organisational members is termed as _____.
11. The presence of a strong and appropriate organisational culture has become essential for an organisation to function effectively and efficiently in the modern era. This statement is _____ (True/False).
12. _____ profile was developed to examine the congruence between individual and organisational values.

ANSWERS TO FILL IN THE BLANKS

- | | | |
|--------------------|------------------------|----------------------------|
| 1. Culture | 2. 'tasted'; 'smelled' | 3. Artifacts |
| 4. Competitiveness | 5. People-oriented | 6. Countercultures |
| 7. Socialization | 8. True | 9. Culture |
| 10. Dominant | 11. True | 12. Organisational culture |

Chapter 6

Leadership and Group Dynamics

LEARNING OBJECTIVES

After reading this chapter, you will be able to understand:

- Leadership
- Leadership styles
- Approaches to leadership
- Power and politics in an organisation
- Successful versus effective leadership
- Leadership skills
- Ethics, value for managers
- Values
- Corporate social responsibility
- Group dynamics
- Formal and informal groups
- Groups in organisation
- What is effective group
- Teams

INTRODUCTION

There are as many definitions of leadership as the authors or research workers. Bennis and Nanus (1985), in their work *Leadership: Strategies for Taking Charge*, referred to leadership 'as most studied and least understood topic of any in social science.' Leadership and relationships play a key role in organisational success. The term leadership has been taken from the vocabulary and without defining it precisely has been incorporated in the technical vocabulary of a scientific discipline. As a consequence, it carries extraneous connotations that create ambiguity of meaning (Janda, 1960). An observation by Bennis (1959) is as true today as it was when he made it many years ago:

'Always, it seems, the concept of leadership eludes us or turns up in another form to taunt us again with its slipperiness and complexity. So, we have invented endless proliferation of terms to deal with it and still the concept is not sufficiently defined.'

Recent research on the association between employee satisfaction and job performance suggests that the single most important contributor to the feelings of employee's engagement, empowerment and satisfaction is based on the relationship they have with the leaders of the organisation (Sheridan & Vrendenburgh, 1978; Ribelin, 2003; Eisenberger, Stinglhamber, Vandenberghe, Sucharski, Ivan & Rhoades, 2002; Rhoades, Eisenberger, & Armeli, 2001).

Tidbits

The Nine Dilemmas Leaders Face

Broad-based Leadership vs. High-visibility Leaders
 Independence vs. Interdependence
 Long-term vs. Short-term
 Creativity vs. Discipline
 Trust vs. Change
 Bureaucracy Busting vs. Economies of Scale
 People vs. Productivity
 Leadership vs. Capability
 Revenue Growth vs. Cost Containment

The Nine Dilemmas Leaders Face is based on The Nine Dilemmas Leaders Face, *Fortune Magazine*, March 1996.

Definition

In the *Handbook of Leadership: A Survey of Theory and Research*, Stogdill (1974) noted that there are as many definitions of leadership as there are persons who have attempted to define the concept. Last five decades have seen as many as sixty five different classifications of leadership developed to define its dimension. (Flieshman *et al.*, 1991).

'Leadership is the influential increment over and above mechanical compliance with the routine directive of the organisation' (Katz & Kahn, 1978).

Yulk (1998) broadly defines leadership as 'the influence processes affecting the interpretations of events for followers, the choice of objectives for the group or organisation, the organisation of work activities to accomplish the objectives, the motivation of followers to achieve the objectives, the maintenance of cooperative relationships and team work, and the enlistment of support or cooperation from people outside the group or organisation.'

'Leadership is the ability of an individual to motivate others to forego self interest in the interest of a collective vision, and to contribute to the attainment of the vision, and to the collective by making significant personal self sacrifices over and above the call of duty, willingly' (House & Shamir, 1993).

We will define leadership as ‘*the process of directing and influencing the task related activities of group members.*’ A process that shapes the goals of a group or organisation, motivates behaviour toward the achievement of those goals, and helps define group or organisational culture. It is primarily the process of influence.

There are four important implications of this definition.

1. First, *leadership involves other people*—employees or followers. It also involves the willingness of employees/followers to accept directions from the leader. Group members help define the leader’s status and make the leadership process possible. The leadership quality of a manager would be irrelevant if there is no group of followers.
2. Second, *leadership involves unequal distribution of power* between leader and the group members. Where does the power come from? There are five bases of power of managers—reward power, coercive power, legitimate power, referent power and expert power. The greater the number of these powers available to the manager, the greater is his or her potential for effective leadership.
3. Third is the *ability to influence the follower’s behaviour* in number of ways. Leaders have influenced soldiers in battlefield to make supreme sacrifice.
4. Fourth is that the leader must have *values*. James McGregor Burns argues that a leader who ignores the moral components of leadership may go down in history with bad reputation. Moral leadership concerns values and requires that followers be given enough knowledge of alternatives to make intelligent choices when it comes to responding to a leader’s proposal to lead.

LEADERSHIP VERSUS MANAGEMENT

Although some managers are able to influence followers to work toward the achievement of organisational goals, the conferring of formal authority upon a manager does not necessarily make that individual a leader. Yes, a manager has authority, but whether or not he/she is able to influence the subordinates may depend on more than just that authority.

Researchers exploring leadership functions came to the conclusion that to operate effectively, groups needed someone to perform two major functions:

- (a) **Task Related Function**: Problem solving function.
- (b) **Group maintenance or social function**: This includes making sure individuals feel valued by the group, mediating disputes, etc.

An individual who is able to perform both roles effectively would especially be an effective leader. However, an individual may have the skill, ability and temperament to play only some roles. This does not mean the group is doomed. Studies have revealed that most effective leaders are the ones who have some form of shared leadership. While the leader performs the task function, another member performs the social function (Bales, 1951). ‘*Leadership* is of the *spirit*, compounded of *personality* and *vision*—its practice is an art. *Management* is of the mind, *more a matter of accurate calculation, statistics, methods, timetables, and routine*—its practice is a science.’

Tidbits

Fundamental Difference Between a Manager and a Leader

- A manager administers, but a leader innovates
- A manager maintains, while a leader develops
- A manager focuses on systems and structures, whereas a leader’s focus is on people
- A manager relies on control, but a leader inspires trust
- A manager keeps an eye on the bottom line, while a leader has an eye on the horizon
- A manager does things right, a leader does the right thing

LEADERSHIP STYLES

There are two main functions of a leader, viz., task related and group maintenance. Hence, these tend to be expressed in two different styles. Managers have task orientation in that they closely supervise the employees to ensure the task is performed satisfactorily. Managers with an employee orientation put more emphasis on motivating the employee rather than controlling them. They seek friendly, trusting and respectful relationships with employees, who are often allowed to participate in decisions that affect them.

Leadership style is the manner and approach of providing direction, implementing plans, and motivating people. Kurt Lewin (1939) led a group of researchers to identify different styles of leadership. The three major styles of leadership are (US Army Handbook, 1973):

- **Authoritarian or autocratic:** This style is used when leaders tell their employees what they want done and how they want it accomplished, without taking the advice of their followers
- **Participative or democratic:** This style involves the leader and one or more employees in the decision making process (determining what to do and how to do it). However, the leader maintains the final decision making authority.
- **Delegative or free reign:** In this style, the leader allows the employees to make the decisions. However, the leader is still responsible for the decisions that are made. This is used when employees are able to analyse the situation and determine what needs to be done and how to do it.

Tidbits

Is there commonality between leaders?

Researchers are confounded by questions about how to find commonality or generalise from an examination of the traits of leaders as diverse as Stalin, Hitler, Martin Luther King Jr., John F. Kennedy, Churchill, Mother Teresa, Gandhi and Margaret Thatcher. Do these leaders have any trait in common? Is this a list of traits all leaders must possess?

- Technical skills
- Friendliness
- Task motivation
- Application to task
- Group task supportiveness
- Social skills
- Emotional control
- Administrative skills
- General charisma
- Intelligence, etc.

Paternalism has, at times, been equated with leadership styles. Paternalism is, ‘a policy or practice of treating or governing people in a fatherly manner, especially by providing for their needs without giving them rights or responsibilities.’ It is a system under which an authority undertakes to supply needs or regulate conduct of those under its control in matters affecting them as individuals, as well as in their relationships to authority and to each other. In today’s climate, where participation and involvement in the workplace are much more popular than before, this approach is not very popular. Although prevalent, it is more of an authoritarian. Hence, in this book, we will consider it part of authoritarian style.

APPROACHES TO LEADERSHIP

The subject of leadership is so vast and perceived to be so critical, it has generated a huge body of literature. Each researcher working in the field has tried to explain leadership from a different perspective. Broadly, there are four distinct approaches to leadership, viz., Traits Theory, Behaviouristic Theory, Contingency Theory and Charismatic Theories of leadership.

Traits Universally Accepted

The six traits which have been universally accepted are:

- **Drive:** Refers to constellation of traits and motives reflecting a high effort level.
- **Leadership motivation:** Leaders have strong desire to lead. They think a lot about influencing others, winning an argument or being greater authority. Harvard Psychologist David McClelland—gives two types of dominance:
 - Personalised Power Motive—Concerned with domination of others, results in dependent, submissive followers. Seeks power as an end in itself.
 - Socialised Power Motive—Uses power to achieve desired goals, or a vision. Develops networks, coalitions, gain cooperation from others, resolve conflicts in a constructive manner. Takes account of followers' needs and results in empowered, independent followers.
- **Honesty and integrity:** What are the virtues in an individual? Integrity is difference between action and deed, refers to being truthful. Charles Cox and Cary Cooper, British Psychologists, said 'Successful leaders preferred open style, where they truthfully informed workers of happenings.' Effective leaders are credible, with excellent reputations and high level of integrity.
- **Self confidence and emotional stability:** Primarily, it is remaining even-tempered, especially in adverse conditions, and having faith in their ability to accomplish what they have set out to do.
- **Cognitive ability:** It is the ability to gather and integrate enormous amount of information and decipher it. Thereafter, be able to pick the correct and priority information for action.
- **Knowledge and business:** The manager must have the necessary knowledge of the functions being performed by him. In addition, he should have business acumen as all organisations are structured for profit. There is no organisation or industry which can survive without profit.

Traits Theory

Ask people what good leadership is, and it is quite likely you will get a response that suggests good leadership can somehow be defined in terms of traits or characteristics. Personal characteristics of a leader are emphasized. The implicit idea is that a leader is born not made. All leaders are supposed to have certain stable characteristics that make them leaders. The focus is on identifying and measuring traits that distinguish leaders from non-leaders, or effective from ineffective leaders (Hollander & Offermann, 1990). Three main categories of personal characteristics have been included in the search of the 'great man' (Bryman, 1992).

- (a) **Physical features**, such as height, physique, appearance, and age;
- (b) **Ability** characteristics, such as intelligence, knowledge, and fluency of speech;
- (c) **Personality** traits, such as dominance, emotional control and expressiveness, introversion and extraversion.

RM Stogdill (1948) concluded that a 'person does not become leader by virtue of the possession of some combination of traits.' No traits are universal. Action has to be taken with traits. However, traits do matter and studies have revealed that there are some common traits which differentiate leaders from followers.

Behaviouristic Theory

After the problems with the trait approach became evident, researchers turned to an examination of the leader's behaviour. In this approach, effectiveness of a leader is dependent on the exerted leadership style. The approach implied that leadership is a behavioural pattern, which can be learned. Thus, according to this

approach, once one was able to discover the 'right' style, people could be trained to exhibit that behaviour and become better leaders (Bass, 1990).

The most prominent studies were those undertaken by the University of Michigan and by the Ohio State University. Interestingly, both studies arrived at similar conclusions.

The Ohio State researcher concluded that leadership style could best be described as varying along two dimensions, i.e., 'consideration' and 'initiating structure' (Figure 6.1).

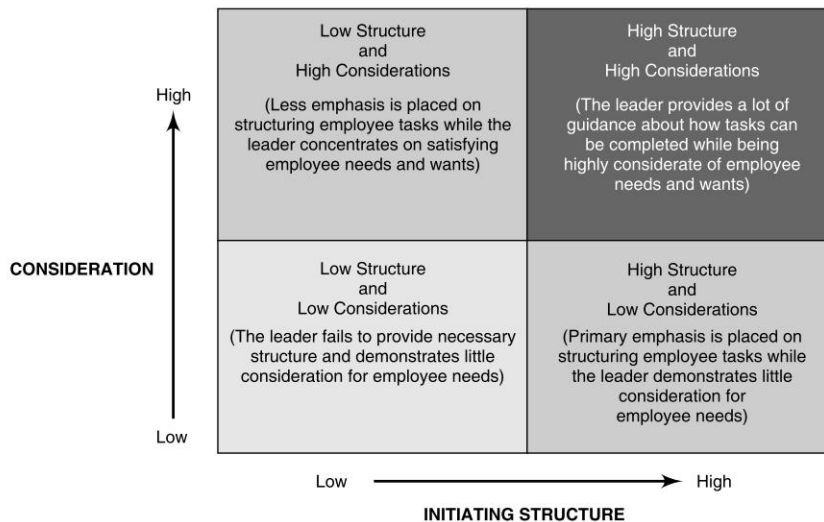


Figure 6.1 Leadership Style Studied at Ohio State University

The second study was carried out at the University of Michigan. The results of these studies were summarised by Likert (1961, 1967). They show that three types of leader behaviour help in differentiating between an effective and an ineffective leader:

- **Production centered behaviour:** When a leader pays close attention to the work of subordinates, explains work procedures, and is keenly interested in their performance.
- **Employee centered behaviour:** When the leader is interested in developing a cohesive work group, and in ensuring employees are satisfied with their jobs.
- **Participative leadership:** When the leader is interested in taking the employees along with him for accomplishment of the task.

Rather than concentrating on what leaders are, as the trait approach did, the behavioural approach forced researchers look to at what leaders do. The main shortcomings of the behavioural approach were its focus on finding a dependable prescription for effective leadership.

The Managerial Grid

Some researchers proposed 'universal' theories of effective leader's behaviour, stating that; for instance, effective leaders are both people-task oriented, so called 'High-high' leaders. Blake and Mouton (1985) tried to show an individual's style of leadership on a 9x9 grid consisting of two separate dimensions, viz., concern for production and concern for people, which are similar to the concept of employee centered and production-centered styles of leadership mentioned earlier. The grid has nine possible positions along each axis, creating

a total of eighty one possible styles of leader behaviour. The managerial grid thus identifies the propensity of a leader to act in a particular way. The (9,1) style is known as *task management* which focuses wholly on production. Managers with this style are exceptionally competent with the technicalities of a particular job but are miserable failures in dealing with people. The (1,9) style, in contrast emphasises people to the exclusion of task performance and is known as *country club style* of management. (Figure 6.2)

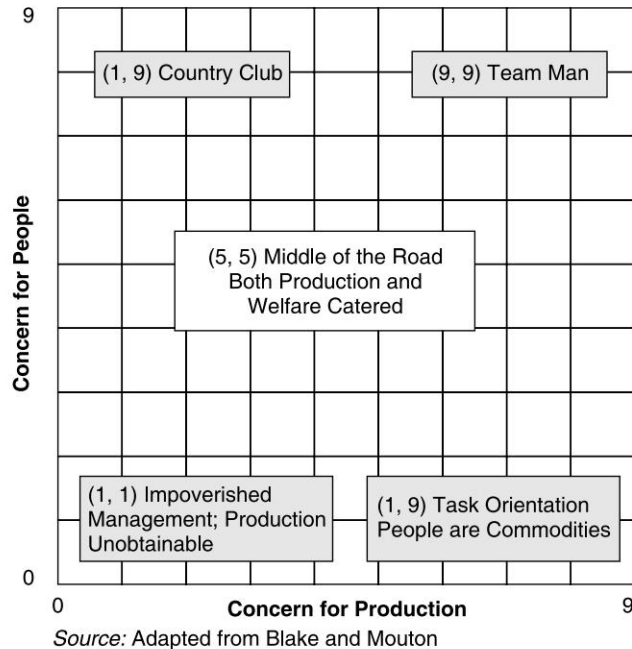


Figure 6.2 The Managerial Grid

Contingency Theories

The main proposition in contingency approaches is 'that the effectiveness of a given leadership style is *contingent on the situation*', implying that certain leader behaviours would be effective in some situations but not in others.

Fiedler's Model The first and perhaps the most popular situational theory to be advanced was the 'Contingency Theory of Leadership Effectiveness' developed by Fred E. Fiedler. This theory explains that group performance is a result of interaction of two factors. These factors are known as *leadership style* and *situational favorableness*. In Fiedler's model, leadership effectiveness is the result of interaction between the style of the leader and the characteristics of the environment in which the leader works. According to Fiedler, 'an individual's leadership style depends upon his or her personality and is, thus, fixed'. In order to classify leadership styles, Fiedler has developed an index called the *Least Preferred coworker* (LPC) scale.

The LPC scale asks a leader to think of all the persons with whom he or she has ever worked, and then to describe the one person with whom he or she worked least well. This person can be from the past, or someone he or she is currently working with. From a scale of 1 through 8, the leaders are asked to describe this person on a series of bipolar scales, such as the ones shown below:

Unfriendly 1 2 3 4 5 6 7 8 Friendly

Uncooperative 1 2 3 4 5 6 7 8 Cooperative

Hostile 1 2 3 4 5 6 7 8 Supportive

Guarded 1 2 3 4 5 6 7 8 Open

The responses to these scales (usually sixteen in total) are summed and averaged:

- (a) High LPC score suggests that the leader has a human relations orientation,
- (b) Low LPC score indicates task orientation

According to Fiedler, 'a task orientated style of leadership is more effective than a considerate (relationship orientated) style under extreme situations, that is, when the situation, is either very favourable (certain) or very unfavourable (uncertain)'. The task orientated leader, who gets things accomplished, proves to be the most successful. If the leader is considerate (relationship orientated), he or she may waste so much time during disaster, that things may get out of control and lives might be lost.

Fiedler's theory has some very interesting implications for the management of leaders in organisations:

1. The favourableness of leadership situations should be assessed using the instruments developed by Fiedler (or, at the very least, by a subjective evaluation).
2. Candidates for leadership positions should be evaluated using the LPC scale.
3. If a leader is being sought for a particular leadership position, a leader with the appropriate LPC profile should be chosen (task orientated for very favourable or very unfavourable situations and relationship orientated for intermediate favourableness).
4. If a leadership situation is being chosen for a particular candidate, a situation (work team, department, etc.) should be chosen which matches his/her LPC profile (very favourable or unfavourable for task orientated leaders and intermediate favourableness for relationship orientated leader).

Tidbits

Project Globe

GLOBE is a long term study directed toward the development of systematic knowledge concerning how societal and organisational cultures affect leadership and organisational practices (House et al., 1999). Almost 60 countries participate in the project.

The objectives of the study are to test relationship between societal culture dimensions, organisational cultural dimensions, and CLTs (culturally endorsed implicit leadership theories), as well as relationships specified by structural contingency theory of organisations (Donaldson, 1995). Contributing to outstanding leadership on all cultures are many attributes, such as charisma, inspirational, visionary, positive motivational, confidence builder, dynamic, has foresight, etc.

Team oriented leadership is universally seen as important.

Heresy and Blanchard's Situational Model The situational leadership model, developed by Paul Hersey and Kenneth Blanchard, suggests that the leader's behaviour should be adjusted according to the maturity level of the followers. The level of maturity, or the readiness of the followers, was assessed to the extent that the followers had the ability and willingness to accomplish a specific task.

The leader behaviour was determined by the same dimensions as used in the Ohio Studies, viz., production orientation and people orientation. According to the situational mode, a leader should use a *telling style* (high concern for task and low concern for people) with the least matured group of followers who are neither able nor willing to perform. A *selling style* of leadership (high concern for both task and relationship) is required for dealing with the followers with the next higher level of maturity, that is, those who are willing but unable to perform the task at the required level. The able but unwilling followers are the next matured group and require a *participating style* from the leader, characterised by high concern for consideration and low emphasis on task orientation. Finally, the most matured followers, who are both able and willing, require a *delegating style* of leadership. The leader working with this kind of followers must learn to restrain

himself from showing too much concern for either task or relationship as followers themselves accept the responsibility for their performance. Though this theory is difficult to test empirically, it has its intuitive appeal and is widely used for training and development in organisations. In addition, the theory focuses attention on followers as a significant determinant of any leadership process.

The Path Goal Theory In recent times, one of the most appreciated theories of leadership is the Path Goal Theory as offered by Robert House, which is based on the Expectancy Theory of Motivation. According to this theory, the effectiveness of a leader depends on the following propositions:

- Leader behaviour is acceptable and satisfying to followers to the extent that they see it as an immediate source of satisfaction, or as instrumental to future satisfaction
- Leader behaviour is motivational to the extent that
 - It makes the followers' needs satisfaction contingent or dependent on effective performance, and
 - It complements the followers' environment by providing the coaching, guidance, support, and rewards necessary for realising the linkage between the level of their performance and the attainment of the rewards available.

The leader selects from any of the four styles of behaviour which is most suitable for the followers at a given point of time. These are *directive*, *supportive*, *participative*, and the *achievement oriented* according to the needs and expectations of the followers. In other words, the path goal theory assumes that leaders adapt their behaviour and style to fit the characteristics of the followers and the environment in which they work.

Transformational Leadership

James MacGregor Burns (1978) conceptualised leadership as either transactional or transformational. *Transactional leaders* are those who lead through social change. As Burns (1978) notes, politicians, for example, lead by 'exchanging one thing for another: jobs for votes, or subsidies for campaign contributions.' *Transformational leaders*, on the other hand, are those who stimulate and inspire followers to both achieve extraordinary outcomes and, in the process, develop their own leadership capacity. Transformational leaders help followers grow and develop into leaders by responding to individual followers' needs by empowering them and by aligning the objectives and goals of their individual followers, the leader, the group, and the larger organisation. It has been observed that transformational leadership can move followers to exceed expected performance, as well as reach high levels in work to the follower's satisfaction and as per the follower's commitment to the group and organisation (Bass, 1985)

Bass (1985) extended charismatic leadership to the theory of transformational leadership where the leader is able to inspire and activate subordinates to 'perform beyond expectations' and to achieve goals beyond those normally set. Bass' theory posits that the transformational leader achieves greater than expected performance through any one of three interrelated ways: (a) an increased level of awareness by subordinates about the importance of designated outcomes, (b) by getting individuals to transcend their own self-interest for the sake of the team, and (c) by altering the subordinates' need levels on Maslow's hierarchy or expanding the set of needs.

The transformational leader gains a greater commitment from subordinates and induces them to transcend personal self-interest for the betterment of the group or organisation not only with charisma but also by serving as a coach, teacher, or mentor (Bass, 1985). Thus, the transformational leader is able to activate higher order needs of esteem and self actualisation among subordinates.

Transformational Leadership	Transactional Leadership
Leaders arouse emotions in their followers, motivate them to act beyond the framework of exchange relations	Leaders are aware of the link between the effort and reward and use it
Leadership is proactive and raises expectations for followers	Leadership is responsive and its basic orientation is to deal with present issues
Leaders are distinguished by their capacity to inspire and provide individualised consideration, intellectual stimulation and idealised influence to their followers	Leaders rely on standard forms of inducement, reward, punishment and sanction to control followers
Leaders possess good vision, rhetorical and management skills, to develop strong emotional bonds with followers	Leaders motivate followers by setting goals and promising rewards for desired performance
Leaders motivate followers to work for goals that go beyond self-interest	Leadership depends on the leader's power to reinforce subordinates for their successful completion of the bargain

Figure 6.3 *Comparison between Transactional and Transformational Leadership*

House's Theory of Charismatic Leadership

House (1977) defines *charismatic leadership* as referring to a leader who has charismatic effects on followers to an unusually high degree. These effects include devotion, trust, unquestioned obedience, loyalty commitment, identification, confidence in ability to achieve goals and radical changes in beliefs and values.

Charismatic leadership is stated to have three core components, i.e., envisioning, empathy, and empowerment. A charismatic leader's envisioning behaviour influences followers' need for achievement, and the leader's empathic behaviour stimulates followers' need for affiliation.

Charismatic leadership theory asserts that exceptional leaders create a connection with followers, attend to their individual needs, and inspire followers to achieve beyond personal limits. By appealing to higher order individual values and magnanimous ideals, charismatic leaders enhance the commitment of followers to an eloquent vision and arouse followers to develop new ways of thinking about problems.

POWER AND POLITICS IN AN ORGANISATION

During discussions of leadership, the question often arises: 'Why or how are leaders able to get followers to follow?' We have already discussed the notion that followers follow if they perceive the leader to be in a position to satisfy their needs. Yukl (1998) 'notes, influence over followers is the essence of leadership'. German sociologist, Max Weber, defined power as 'the probability that one actor within a social relationship will be in a position to carry out his own will despite resistance.' Power can stem from different sources. In their taxonomy, French and Raven (1959) describe five sources of power, namely, reward, coercive, legitimate, referent, and expert power. Power appears to involve one person changing the behaviour of one or more individuals, particularly if that behaviour would not have taken place otherwise. Power refers to A's ability to influence B, not A's right to do so; no right is implied in the concept of power.

A related concept is *authority*. Authority does represent the right to expect or secure compliance; authority is backed by legitimacy (Bass, 1960).

Etzioni has classified power as:

- **Coercive Power:** It involves forcing someone to comply with one's wishes. A prison would be an example of a coercive organisation.

European Leadership Styles

- **Leading from the front (UK, Ireland and Spain)**

- Charisma
- Reliance on individual's leadership ability
- Rules and procedures hinder performance
- Self motivation
- Dominance

- **Managing from the distance (French)**

- Lack of discipline
- Pursuit of personal agenda
- Strategic/conceptual thinkers
- Ineffective communication
- Ambiguity

- **Consensus (Sweden, Finland)**

- Team spirit
- Effective communication
- Attention to organisational detail
- Open dialogue
- Consensual decision making

- **Towards a Common Goal (Germany, Austria)**

- Valuing functional expertise
- Authority based leadership style
- Clear roles of responsibility
- Discipline oriented
- Identify with systems and controls

- **Utilitarian Power:** It is based on a system of rewards or punishments. Businesses which use pay raises, promotions, or threats of dismissal are essentially utilitarian organisations.

- **Normative Power:** This power rests on the beliefs of the members that the organisation has the right to govern their behaviour. A religious order would be an example of a utilitarian organisation.

Political processes in organisations involve members' efforts to increase or protect their power (Pfeffer, 1981). Contributing to such political power are: having control over key decisions, forming coalitions, cooptation, and institutionalisation (Yukl, 1998).

Yukl and his colleagues identified nine proactive influence tactics (Yukl and Fable, 1990; Yukl, 1998). These are; (a) *pressure*; (b) *exchange*, involves offering of goods or services; (c) *coalition tactics*, involves enlistment of aid of third parties; (d) *legitimizing tactics*, involves trying to legitimatise a request by claiming the authority or right to make it, or stressing the fact that it is in accordance with organisational policies, rules, or traditions, (e) *rational persuasion*, uses rational arguments and facts to convince that the request made is reasonable and viable; (f) *inspirational appeals*, the agent make a request or proposes something that arouses the target's interest and enthusiasm by appealing to his or her values; (g) *Consultation* and *ingratiation*; and (h) *personal appeals*.

Successful *versus* Effective Leadership

Successful leadership has been defined as the ability to get others to behave as the manager's intends them to. In this, the job is done and the manager's needs may be satisfied, but the employee's needs are ignored. In *effective leadership*, the employees perform in accordance with the manager's intentions and, at the same time, find their own needs satisfied. The positive feeling of the employees usually contribute to long term benefits, such as loyalty, support, and job satisfaction, an important component of intrinsic motivation. Hence, *success* has to do with how the individual or the group behaves; *effectiveness* describes the internal shape or predisposition of an individual or a group and is thus attitudinal in nature.

Leadership Skills

Leadership theories and practices recognise the importance of skills regarding how leaders behave and perform effectively. A list of suggested leadership skills, in addition to the ones given in box, critical to success in the modern global integrated economy is given below.

1. **Cultural Flexibility**: In international assignments, skills refer to cultural awareness and sensitivity. Leaders today should be able recognise and value diversity in their organisations.
2. **Communication Skills**: Effective leaders must be able to communicate their views, vision and directions in clear and lucid manner.
3. **Creativity**: Problem solving, innovation and creativity provide competitive advantage in today's global market. One needs to think differently to survive in the globalised world. A good blend of creative people and engineers are essential to push growth. Profits and innovation go hand in hand. While innovation is doing things differently, creativity is all about thinking differently, says Mr. Premji, founder of Wipro. "Innovation is essentially the application of high creativity. It need not be restricted to just products; it applies to services, employee attitude and across all levels. Innovation is a fundamental mindset pursued seriously by an organisation. It is imperative to imbibe the culture of innovation."
4. **Political Skills**: Politics is a normal part of leadership and organisational life, and political skill is one of the many factors that contribute to effective leadership, according to Gentry. The term 'political skill' can be defined as the ability to effectively understand and influence others for personal and/or organisational benefit. Political skill allows people to adapt and tailor their behaviour to the context and people involved. Managers, people in leadership, need to adjust to different environmental conditions, different individuals and different situations. Politically skilled people can diagnose a situation and adjust their behaviour accordingly.
5. **Community Building**: Community building as an approach is not new, but it has been practiced by a small minority. Community building is challenging all of us to look harder at this science of associations, the forms of community connections that we build at the local level. Community building calls leaders to take a more active role as a new local planning and decision making apparatus. Institutional and community collaboration is an important element in the evolution of community associations, and it tends to be emphasised by some of the prominent funder-driven community building initiatives. A strong partnership must have a compelling and clear purpose, based on self-interest, to sustain it through the difficult work of building and implementing initiatives.

Is there future for Leadership?

Developing information technology and globalisation are influencing work and organisations, as we know them in a pervasive and long-lasting manner (Davis, 1995). House (1995) notes, 'Much of 21st century work will be intellectual rather than physical.' Among the fundamental changes in an organisation is the increasing

Five Characteristics for Effective Leadership

In the opening address to the Möbius Conference, Kim Clark, Dean of Harvard Business School, spoke about leadership with a small 'l'—the sort of leadership that is needed in every organisation to both serve and inspire our communities, businesses, and lives. 'We live in really remarkable times,' he said, stressing there remains 'a lot of optimism amidst all this turbulence.' Below is his advice on first-rate leadership.

1. **Integrity.** We need leaders with strong values grounded in a commitment to a life that is whole and consistent with the things they believe. They should take personal responsibility for their actions and be honest with others, and with themselves.
2. **Energy.** Leaders who energise and inspire other people make everyone around them better—not by administering, but by ministering.
3. **Inspiration.** Trust and confidence are vital, but it is a leader's responsibility to help create a vision of what is possible. They should inspire others to see the greatness that is within them.
4. **Wisdom.** Leaders need to be teachers. They must see beyond the horizon and understand the principles that underlie success. It is necessary to be a great communicator and teach in deed.
5. **Courage.** Leaders have to do hard things. They have to have standards and make tough decisions that might make them unpopular, and do the right thing though the wrong thing is easier. Courage is hard, but it can be developed.

use of teams to make decisions (Guzzo, 1995) and, more generally, the increased importance of teams and other lateral organising mechanism (Mohrman & Cohen, 1995). As organisations become boundaryless, can no longer rely on traditional hierarchy, managing and coordinating the efforts of employees may become more difficult. Observing, monitoring, and controlling, or, to say, direct supervision of tasks would be very difficult.

Such developments would lead to less pronounced role for leaders in organisations. Shamir (Shamir, 1999; Shamir and Ben Ari, 1999) summarises, 'Boundaryless, flattened, flexible, project based and team based organisations that employ temporary, externalised and remote workers, whose tasks are more intellectual and less routine and cannot be controlled and coordinated by structure or direct supervision, need mechanisms of coordination through shared meaning systems, a shared sense of purpose, and high member commitment to shared values' (1999, p. 59). Therefore, boundaryless organisations are likely to need strong leadership to perform integrative functions. Such integrative functions are less likely to be performed by temporary leaders. The role of leaders, thus, would be to balance an emphasis on change with providing stability and continuity, and to establish and maintain collective identities in the absence of traditional identity forming boundaries (Shamir, 1999).

ETHICS, VALUES FOR MANAGERS

For years, conventional wisdom suggested that people do not leave companies, but rather they leave because of bad business management, also known as bad managers. Poor business management practices are more related to the problem of poor business ethics or values than to the common symptoms, such as poor delegation or poor communication.

A recently released survey from Florida State University of 700 employees within numerous industries and employment levels provides an insight into the lack of ethics among many managers. The results are:

Developing a Psychologically Healthy Workplace: What Emotionally Intelligence Leaders Can Do

Leadership appears to be one key contributor to the development of a psychologically healthy workplace. Leaders can directly influence morale, retention, commitment, satisfaction and perceptions of stress. A variety of approaches exist for leaders to consider employing in the development of a healthy workplace. These include:

- Gather feedback about strengths/development reports by using a multi-rater feedback instrument
- Conduct a senior leadership team analysis of strengths/development areas.
- Conduct annual employee engagement surveys to better understand how leaders can change policies, procedures, processes, systems and management practices to enhance satisfaction.
- Employ a department-wide “balanced scorecard” to measure and monitor internal customer satisfaction of talent within your department.
- Constructively and consistently manage the performance of underperforming talent.
- Create and utilise employee teams to increase participation of employees in problem solving, decision making and planning processes.
- Analyse exit interviews for trends and develop strategies to increase retention of high potential talent.
- Support and implement work balance and family friendly policies, procedures and programmes to enhance engagement (For example, telecommuting, child care, flex time, wellness/health promotion programmes).

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- Failure to keep their (managers) word—39%
- Insulting employees behind their backs—27%
- Blaming others for boss’ mistakes—23%

All of these behaviours demonstrate that these bosses lack personal values and personal ethics. This lack of ethical behaviour may be attributed to top management because upper management has probably modeled the same behaviours. Finally, there are probably no core values adopted by the organisation within the strategic plan. Even if there is a values statement, it is much more for show than for alignment of organisational performance.

Values are relatively permanent desires that seem to be good, like peace and goodwill. *Ethics* is the study of how our decisions affect other people. It is also the study of people’s rights and duties, the moral rules that people apply in making decisions, and the nature of the relationships among people.

Doctor Toner’s definition of ethics, “*the study of good and evil, of right and wrong, of duty and obligation in human conduct, and of reasoning and choice about them,*” reveals his contention that ethical behaviour support is the very core of profession.

Levels of Ethical Questions in Business

In business, most ethical questions fall into one of the four categories, *societal*, *stakeholder*, *internal policy* and *personal issues*.

First, at the *societal level*, we ask questions about the basic questions in the society, for example, apartheid in South Africa, caste system in India, etc. Another societal question can be stated as, ‘the role the Government

Tidbits**Responsibilities of Leaders towards an Individual**

- Understand the team members as individuals—personality, skills, strengths, needs, aims and fears
- Assist and support individuals—plans, problems, challenges, highs and lows
- Identify and agree appropriate individual responsibilities and objectives
- Give recognition and praise to individuals - acknowledge effort and good work
- Where appropriate, reward individuals with extra responsibility, advancement and status
- Identify, develop and utilise each individual's capabilities and strengths
- Train and develop individual team members
- Develop individual freedom and authority

should play in business'. The second is the *stakeholders*—the suppliers, customers, shareholders, etc. Here, we ask questions like 'how the company should deal with external groups affected by its decisions', as well as 'how stakeholders should deal with the company'. Third is the *internal policy*. Here we ask questions about the nature of company's relations with its employees, is the employment contract fair, what are the mutual obligations, etc. Layoffs, benefits, work rules, motivation, and leadership are all ethical concerns here.

Fourth is personal. Under this, is the question is of inter-personal relationships, how persons should be treated, what obligations do we have for one and another, etc.

Most companies have ethics codes, and many of them have been swiped from some other company. A quick survey of corporate values will tell you which ones guide most companies in United States: honesty, integrity, trust, respect, and then maybe commitment or teamwork. No problem there. But do a little detective work with employee groups and they'll laugh you out of the room. (Toffler 2003, pp. 240-241). The same is true in India.

Tidbits**Functions of Value**

According to Rokeach (1973), values serve the following functions:

- (a) Predispose us to favour one particular position over another.
- (b) Lead individuals to take a particular position on social issues.
- (c) Guide our presentation of the self to others and help us to evaluate and judge, or praise and blame others and us.
- (d) Help individuals to ascertain whether we are as moral and as competent as others.
- (e) Lead individuals to persuade and influence others by suggesting to us that beliefs, attitudes, values and actions of others need to be influenced or changed.
- (f) Tells individuals how to rationalise in psychoanalytic sense, beliefs, attitudes and actions that would otherwise be personally and socially unacceptable.

Values

Gluckhohn, C. (1951) define *value* as 'a conception, explicit and implicit, distinctive of an individual, or characteristics of a group, of the desirable which influences the selection from available modes, means and ends of action.' In this definition, the authors have emphasised the *affective* (desirable), *cognitive* (conception), and *cognitive* (selection) elements as essential to the concept of value.

Values represent basic conviction that a specific mode of conduct or end state of existence is personally or socially preferable to an opposite or converse mode of conduct or end state of existence (Rokeach, 1973). Once a value is internalised, it becomes a standard for guiding action, or a criterion for selection of an action. Although values are internal to an individual, they are basically social products. They are generally acceptable to the society as a whole, or a section of the society as preferred 'modes of conduct' or 'end states'.

Societal Values

Values are more to do with society and vary from country to country and region to region. Values do not operate singly. Several values interact with each other and value systems or value orientations are formed. Most conceptual frameworks purpose such systems.

Musser and Orke indicate that people possessing different value types behave quite differently. They identified Mother Teresa and Mahatma Gandhi as *virtuous advocates*, Oliver North as an *effective crusader*, Donald Trump and Ivan Boesky as *independent maximisers* and Arsenio Hall as an *honorable egoist*. Musser and Orke have listed behaviours associated with each value type.

- *Virtuous advocates* are primarily concerned with helping the organisation reach its goals rather than obtaining their own personal goals. (Figure 6.4)
- *Independent maximizers* are more concerned with seeking personal goals rather than those of the organisation.
- *Honorable egoists* seek to achieve personal goals over those of the organisation, but attempt to do so in a manner that is sensitive to the feelings of their associates.
- *Effective crusaders* primarily seek to achieve organisational goals, but they often go about doing this in a way that is insensitive to their associates. Therefore, team members often find themselves in a love-hate relationship with these leaders.

High Social	Effective Crusader <ul style="list-style-type: none"> • Concern for others • Competence for Social Goals • Associated with Sanjay Gandhi and Oliver North 	Virtuous Advocate <ul style="list-style-type: none"> • Concern for others • Moral means for social goals • Associated with Mother Teresa and Mahatma Gandhi
	Independent Maximizer (IM) <ul style="list-style-type: none"> • Concern for self • Competence for Personal Goals • Associated with Donald Trump and Jvan Boesky 	Honorable Egoist (HE) <ul style="list-style-type: none"> • Concern for self • Moral means for personal goals • Associated with Arsenio Hall
High Personal	High Competence	High Moral
Instrumental Values		

Figure 6.4 Musser and Orke Value System Matrix

Chakraborty Framework

Dr S K Chakraborty is a strong advocate of Indian values and its society. He has suggested that learning and understanding Indian values is possible by examining the traditional philosophical repertoire of knowledge. According to Chakraborty, 'the values of Indians are anchored in the transcendental aspect of human existence.' He has listed some values as core to Indian socio-cultural ethos as, respect for individuals, cooperation and trust, work as worship, containment of greed, ethical-moral boundaries, self discipline and restraint, need to give, renunciation and detachment.

Organizational Values

Values driven management can be defined by three characteristics which are exhibited by values driven

Values in Indian Society

Several studies have been conducted on the values of Indian Society. According to Narendar (2007), Indian society can be characterised by the following components and dominant values:

- (a) *Avoid Excesses*: Excesses in life, viz., kama, krodh, do not help but if an individual considers each affair in sharp and gentle manner he would be respected.
- (b) Indian philosophy gives *predominance to individuals* 'main Braham hoon'; every Indian seeks 'moksha' from this cycle of birth and rebirth and strives inwardly to become complete or 'poorn' (complete).
- (c) Every Indian leader took up the *path of righteousness*. Most leaders in India shunned power, did not chase material goods – Rig-Veda has enunciated the principle: 'Let man think well on wealth and strive to win it by the path of law (ritasya) and by worship. Indians generally believe in simple living and high thinking.
- (d) The followers in India depict *high loyalty to their groups*, respecting harmony, and thus expressing loyalty to individuals, so that harmony is not violated. Indians are *loyal to particular individuals* and would go out of the way to support him. Hence, there is a tendency to be near the power centre.
- (f) Indians by and large believe in '*Karma*' and any failure, or poor performance, or result, is shelved by stating that it is karma or destined to be so. The desire to change the status and restart or improve from that situation is not there, and a very large segment of population just live in dire strait.
- (g) *Security*. The kutumb (family) system of the early parent-child relationship of dependence produces preferences for security rather than venturing out, for comfort, rather than risk.

leaders: (1) They lead by example, (2) They consistently champion values, and (3) Their key decisions are values driven (Harmon 1996, p. 272-273). According to Dolan & Garcia (2001, p.103), value driven management is becoming an overall framework for continual redesign of corporate culture. Järvensivu (2007) defines value driven management as, 'a process where an organisation first determines the core values to follow and then implements various practices to increase value congruence in the organisation' (2007, 3–4).

According to Collins and Porras (1997), 'core values are inherent and sacrosanct and so cannot be compromised either for convenience or for short-term economic growth.' Four types of organisational values have been proposed (Woodcock and Dave (1989), pp. 10–15):

- (a) Power, elitism, and reward
- (b) Effectiveness, efficiency, and economy
- (c) Fairness, teamwork and law and order
- (d) Defence, competitiveness and opportunism

Good firms possess distinct and identifiable values that include both beliefs about superior quality of service, being the best and importance of profit orientation and goal accomplishment. Figure 6.5 lists the common institutional value framework, or organisational values, and the range of attributes that depict it.

CORPORATE SOCIAL RESPONSIBILITY

In 1899, Andrew Carnegie, founder of the conglomerate U.S. Steel Corporation, published the book, *The Gospel of Wealth*, which set forth the classic statement of *corporate social responsibility*. Carnegie's view

Organisational Values	Range of Attributes	
1. Economic	Profit Drives	Socially Drives
2. Information as Symbolic	Policy Focus	Communicative
3. Control/Power	Centralised	Distributed
4. Management Style	Participative	Autocratic
5. Locus of Decision Making	Decentralised	Centralised
6. Leadership Style	Informality	Formality
7. Communication Style	Open	Closed
8. Organisational Processes	Structured	Flexible
9. Task Coordination	Single Way	Multiple Alternatives
10. Impact on Work	Job Enrichment	Isolation
11. Focus of Work	Customer Focus	Internal Focus
12. Social Nature of Work	Participatory	Non-participatory
13. Team Behaviour	Cooperative	Competitive

Figure 6.5 *Institutional Values Framework*

was based on two principles: the *Charity Principle* and the *Stewardship Principle*. He saw business owners in a parent-like role to child-like employees and customers who lacked the capacity to act in their own best interests.

Corporate Social Responsibility (CSR) and sustainable development is gaining increasing prominence in the global business culture, as many businesses attempt to accommodate its agenda. The concept of corporate sustainable development is still the subject of controversy and therefore the indicators used to measure CSR continue to be topic of debate. However, no matter what indicators are used, the notion of responsibility includes responsibility for people in the collective sense (such as communities) and also for individuals.

CSR initiatives have a positive impact on employee morale, motivation, commitment, loyalty, training, recruitment and turnover. Benefits in these areas have been found to improve the bottomline of companies. Three surveys across Europe, the USA, and a survey involving twenty five countries found employees felt greater loyalty, satisfaction and motivation when their companies were socially responsible.

CSR demands that businesses manage the economic, social and environmental impacts of their operations to maximise the benefits and minimise the downsides. Key CSR issues include governance, environmental management, stakeholder engagement, labour standards, employee and community relations, social equity, responsible sourcing and human rights.

CSR is not about fulfilling duty to society; it should also bring competitive advantage. Through an effective CSR programme, companies can:

- Improve access to capital
- Sharpen decision making and reduce risk
- Enhance brand image
- Uncover previously hidden commercial opportunities, including new markets
- Reduce costs
- Attract, retain and motivate employees

GROUP DYNAMICS

Most theorists, when identifying the fundamental psychological processes that drive human actions across a range of situations and settings, include need to belong on their lists (Maslow, 1970, Pitman & Zeigler, 2007). Baumeister and Leary (1995, p. 497), write that human beings have a pervasive drive to form and maintain at least a minimum quantity of lasting, positive, and impactful interpersonal relationships'. A person who has not eaten will feel hungry, but a person who has little contact with other people will feel unhappy and lonely.

What is group dynamics?

Groups can bring out the best in performance, enthusiasm, and creativity. The new workplace places great value on change and adaptation. Organisations are continually under pressure to find new ways of operation in the quest for higher productivity, total quality and service, customer satisfaction and better quality of working life.

'A group is a collection of individuals who have relations to one and another' (Cartwright & Zander, 1968, p. 46). Bass defines group as, 'a collection of individuals whose existence as a collection is rewarding to the individuals, (or enables them to avoid punishment)'. D H Smith (1967) defines group as, 'a largest set of two or more individuals who are jointly characterised by a network of relevant communications, a shared sense of collective identity.'

Henri Tajfel (1972) explains group members share a common identity with one another. They know who is in their group, who is not, and what qualities are typical of insiders and outsiders. This perception of themselves as members of the same group or social category, *social identity*, creates a sense of 'they' (Abrams et al., 2005). Social identity can be thought of as the 'sum total of persons' social identifications, where the latter represents socially significant social categorisations internalised as aspects of self concept' (Turner, 1985, p. 527).

Kurt Lewin (1951) described the way groups and individuals act and react to changing circumstances, he named these processes '*group dynamics*'. Cartwright and Zander defined 'group dynamics' as a 'field of inquiry dedicated to advancing knowledge about the nature of groups, the laws of their development, and their interrelations with individuals, other groups, and larger institutions' (1968, p.7).

Tidbits

Group Structure

Belbin (1981, 1993) developed a model of group structure. It is based on observation, personality and ability data. He proposed that alongside any functional and technical expertise, individuals bring to a group difference in personality and ability, and give rise to styles of behaviour and thinking which predispose people to one or other team role.

Coordinator attempts to establish goals and agenda of the group

Plant is essentially the idea person, tend to be more innovative and to search for possible changes in the group's approach to the problem.

Implementer is the member who converts ideas and objectives into practical operational procedures

Monitor /evaluators are members who evaluate the contributions of others

Resource investigator Identifies the ideas and resources in the external environment

Completer is member who is keen to complete task in time

Specialist is the member focused in providing specialist knowledge and skills

Characteristics of Group

See the boxed item for characteristics of work group.

WHY ARE GROUPS FORMED?

The Need to Belong 'It is the dispositional tendency to seek out and join with other humans.' Aristotle famously suggested that 'Man is by nature a social animal; and an unsocial person who is unsocial naturally

Characteristics of a Work Group

1. **A definable membership:** A collection of two or more people identifiable by name or type.
2. **Group Consciousness:** The members think of themselves as a group, have a collective perception of unity, a conscious identification with one another.
3. **A sense of shared purpose:** The members of a group have the same common task, or goals, or interests.
4. **Interdependence:** The members are interdependent upon each other and need each other's help.
5. **Interaction**
6. **Ability to act in a unitary manner:** The group should be able to work as a single organism.

and not accidentally is either unsatisfactory or superhuman.' Most people spend majority of their waking hours in company of others. The sheer number of groups (cooperatives, fraternal clubs, hobby groups, community groups, clubs, etc.) that exist at any given moment is clear evidence of the need to belong. Even more numerous are the informal kin based and social groups, such as family, friends, and acquaintances, who meet regularly, that satisfy members' need for inclusion.

Sociometry Leary suggests that the need to belong may be the primary motivational force at work to strive. He suggests, 'self esteem is part of a sociometer that monitors people's relational value in other people's eyes.' Self esteem is an indicator of acceptance of persons in a group. So, when a person experiences a dip in self esteem he searches for and corrects the qualities that have put him into such a situation. Most people have high self esteem not because they think well of themselves but because they are careful to maintain inclusion in social groups (Leary & Baumeister, 2000). Self esteem increases when a person feels included in a group and is liked by others (Srivastava & Beer, 2005).

Social Obligation The constructs of individualism and collectivism have become very popular in cross cultural psychology (Smith and Bond, 1999). In group dynamics, both constructs exist. Individualistic cultures emphasise that people are independent in their group while collectivist emphasises interdependence. Collectivists strive to increase the well being of the organisation. They are obligated by social contract to have respect for those who hold positions of authority and avoid disagreement or dissent (Schwartz, 1994, 2007). A group 'binds and mutually obligates' each member (Oyserman et al., 2002, p. 5), and so an individual has no right to disagree or disrupt convened group proceedings; and should prefer acquiescence to disagreement and compromise to conflict. Group members respond more negatively to group members who violate group norms, procedures, and authority and hold rule breakers in contempt (Rozin *et al.* 1999).

Norms Groups have significant impact on behaviour. *Norms* are the standards (degree of acceptability and unacceptability) for the conduct that help an individual judge what is right, good or bad in a given social setting. Norms are usually culturally derived and vary from one culture to another. They are usually unwritten and normally have strong influence on individual's behaviour. They may go beyond formal written rules and policies.

Synergy Synergy enables a group to accomplish well beyond total members' individual capabilities. When groups are effective, they help organisations to accomplish important tasks. In particular, they offer potential for synergy-creation of a whole that is greater than the sum of its parts. When synergy occurs, groups accomplish more than the total of their members' individual capabilities. Group synergy is necessary for organisations to become competitive and achieve long-term high performance in today's dynamic times.

Identification Most people belong to many groups and categories, but many of these memberships have no influence on their social identities. Only in some a person identifies himself with social categories, and accepts that group as an extension of himself. Hogg (2004, p. 136) explains, 'they identify themselves

Attribute	Individualism	Collectivism
Social Relations	Exchange orientations, i.e., maintaining relationships that yield personal rewards with few costs Maintains equity in relations with others	Communal orientation-Focus on fostering, nurturing and harmonious relations with others with less emphasis on exchange Resource distributed according to needs
Social Obligations	Promote their individualist interests	Obligated to cooperate with others in pursuit of <i>shared goals</i> Concern for group success Behaviour guided by group norms and roles
Social Identity	Each self is autonomous and unique	<i>Interdependent self</i> based on group level relationships, roles, and social identities

Figure 6.6 Common Attributes of Individualism and Collectivism

in the same way and have the same definition of who they are, what attributes they have, and how they relate to and differ from specific outgroups, or from people who are simply not ingroup members. Group membership is a matter of collective self-construal- *we, us, and them*’.

As social identification increases’ individuals come to think that their membership in a group is personally significant. They feel connected and interdependent with other members, are glad they belong to the group and experience strong attachment with it.

Tidbits

Causes of Emergence of Groups

- Desire for socialisation
- Sense of Identification
- Goal Achievement.
- Monotonous Jobs.
- Security.
- Source of Information.
- Reduction of Monotony
- Innovation and Creativity

Theories of Group Formation

Propinquity Theory According to this theory, individuals affiliate with one another because of spatial or geographical nearness. In an organisation, employees working in the same office easily make a group.

Homans Theory This theory explains group formation in terms of activities, interactions and sentiments of people. *Activities* are assigned tasks at which people work, *interactions* take place when any one persons; action precedes the activity of another, and *sentiments* are the feelings people have towards one another.

Balance Theory Newcomb propounded this theory. He states that ‘persons are attracted towards one another on the basis of similar attitude toward common objects or goals. This common attitude can be of any type, like politics, religion, work, authority, marriage, etc. Once a relationship formed, members strive to maintain a symmetrical balance between the common attitude and attraction. Both affiliation and interaction play a significant role in the balance theory.

Exchange Theory According to Thibaut and Kelley, reward and cost outcomes of interaction are the basis of group formation. It is also known as the exchange theory of rewards and cost outcomes. In this,

the outcome of relationship must be rewarding, and the person must derive personal and social satisfaction from the exchange.

How Do Groups Develop

How do groups develop?

Tuckman (1965) developed a four stage model of group development.

Stage 1–Forming: In this stage, there is high dependence on the leader for guidance and direction. There is little agreement on team aims other than those received from the leader.

Individual roles and responsibilities are unclear. The leader must be prepared to answer lots of questions about the team's purpose, objectives and external relationships. Processes are often ignored.

Stage 2–Storming: Team members vie for position as they attempt to establish themselves in relation to other team members and the leader. Leadership may receive challenges from team members. Clarity of purpose increases but plenty of uncertainties persist. Cliques and factions, form and there may be power struggles.

Stage 3–Norming: Agreement and consensus forms largely among the team members who respond well to facilitation by leader. Roles and responsibilities are clear and accepted. Big decisions are made by group agreement. Smaller decisions may be delegated to individuals or small teams within the group. Commitment and unity is strong. The team may engage in fun and social activities.

Stage 4–Performing: the team knows clearly why it is doing what it is doing. The team has a shared vision and is able to stand on its own feet with no interference or participation from the leader. There is focus on over-achieving goals, and the team makes most of the decisions against criteria agreed with the leader.

Tuckman added a fifth stage 10 years later:

Stage 5–Adjourning: Tuckman's fifth stage, adjourning, is the break-up of the group, hopefully when the task is completed successfully, its purpose fulfilled. Everyone can move on to new things, feeling good about what's been achieved. From an organisational perspective, recognition of and sensitivity to people's vulnerabilities in Tuckman's fifth stage is helpful, particularly if members of the group have been closely bonded and feel a sense of insecurity or threat from this change.

Group Cohesiveness

Group cohesiveness is the extent to which group members like and trust one another, are committed to accomplishing team goal, and share a feeling of group pride (Beale, Cohen, Burke, & McLendon, 2003). Cohesiveness is generally defined as 'the resultant of all forces acting on all the members to remain in the group' (Cartwright, 1968, p. 91). Group cohesiveness is one of the essential concepts for understanding group dynamics. In general, the more cohesive the group, the greater its:

- (a) Productivity and efficiency (Beale et al. 2003)
- (b) Decision quality (Mullen, Anthony, Salas & Driskell, 1994)
- (c) Member satisfaction (Brawley, Carron & Widmeyer, 1993; Deluga & Winters, 1991)
- (d) Member interaction (Shaw & Shaw, 1962)
- (e) Employee courtesy (Kidwell, Mossholder & Bennett, 1997)

Group Think

Group think is an extreme form of consensus in which the group thinks as a unit rather than as a collection of individuals. Janis (1972), who coined the term, states that 'group think is a mode of thinking (blind conformity) that people engage in when they are deeply involved in a cohesive in-group, when the members' strivings for unanimity override their motivation to realistically appraise alternative courses of action.' Group think leads to limited discussions, no re-examination of decisions, little attention towards problems, no effort made to acquire information, and facts are ignored and there are no contingency plans.

FORMAL AND INFORMAL GROUPS

A *formal group* is officially designed to serve a specific organisational purpose. The formal network of an organisation can be typically represented by the 'organisational chart' which prescribes pattern for officially sanctioned messages. An example is the work unit headed by a manager and consisting of one or more direct reports. The organisation creates such a group to perform a specific task, which typically involves the use of resources to create a product, such as a report, decision, service, or commodity. The head of a formal group is responsible for the group's performance accomplishments, but all members contribute the required work. Also, the head of the group plays a key linchpin role that ties it horizontally and vertically with the rest of the organisation.

Tidbits

Social Loafing

It is the tendency of individual group members to reduce their work effort as group members as the group increases its size.

Formal groups may be permanent or temporary. Permanent work groups, or command groups in the vertical structure, often appear on organisation charts as departments (for example, market research department), divisions (for example, consumer products division), or teams (for example, product assembly team). As permanent workgroups, they are each officially created to perform a specific function on an ongoing basis. They continue to exist until a decision is made to change or reconfigure the organisation for some reason.

In contrast, *temporary workgroups* are task groups specifically created to solve a problem or perform a defined task. They often disband once the assigned purpose or task has been accomplished. Examples are many temporary committees and task forces that are important components of any organisation. Indeed, today's organisations tend to make more use of cross functional teams or task forces for special problem solving efforts.

Greenbaum (1974) identified four kinds of formal networks; the *regulative* (for example plans, regulation); the *innovative* (for example flexibility and change), the *informative-instructive* (for example productivity), and the *integrative* (for example maintenance of employee morale).

Tidbits

Cyberostracism

Groups no longer meet only in face-to-face situations but also in multi-user forums, e-mail discussions, and game sites on the internet. Just like people sometimes exclude others from group activities in face-to-face activities, online members also sometimes ignore others, effectively excluding them from the interactions.

Information technology is bringing a new type of group into the workplace. This is the *virtual group*, a group whose members convene and work together electronically via computers. Nowadays, virtual groups are increasingly becoming common in organisations.

Informal groups emerge without being officially designated by the organisation. They form spontaneously through personal relationships or special interest, not by any specific organisational endorsement. *Friendship groups*, for example, consist of persons with natural affinities for one another. Such interest groups consist of persons who share common interests, such as an intense desire to learn about computers, non-work interests, such as community service, sports, or religion.

Informal groups often help people get their jobs done. Through the network of interpersonal relationships, they have the potential to speed up the workflow as people assist each other in ways that formal lines of authority fail to provide. They also help individuals satisfy needs that are thwarted or otherwise left unmet in

a formal group. In addition to this, informal groups can provide members with social satisfactions, security, and a sense of belonging.

Groups in Organisations

There is no doubt that groups can be important sources of information, creativity, and enthusiasm for organisations. But it takes great leadership to achieve these results consistently. The pathways to such success all begin with an understanding of groups in organisations.

Cliques and Liaisons Groups in an organisation are also made up of cliques, usually containing five to twenty five members. Such people communicate more often with one and another, with some members becoming opinion leaders and informally influencing the attitudes and behaviours of other members. Different cliques are linked together by liaisons—people who connect two cliques but who are members of either one and who are ‘cement’ that holds the structural bricks of the organisation together (Rogers & Agarwala-Rogers, 1976).

Grapevine and Rumours *Grapevine* is a community phenomenon, crossing hierarchical levels, functional roles and professional affiliations (Stohl, 1995). Rumours can be understood to be a set of messages which lack evidence as to their truth but explain confusing events and flourish in an atmosphere of secrecy and competition. Grapevine information travels in clusters (Fisher, 1993).

What is an Effective Group?

An *effective group* is one that achieves high levels of task performance, member satisfaction, and team viability. With regard to task performance, an effective group achieves its performance goals- in the standard sense of quantity, quality, and timeliness of work results. For a formal work group, such as a manufacturing team, this may mean meeting daily production targets. For a temporary group, such as a new policy task force, this may involve meeting a deadline for submitting a new organisational policy to the company president. With regard to member satisfaction, an effective group is one whose members believe that their participation and experiences are positive and meet important personal needs. With regard to team viability, the members of an effective group are sufficiently satisfied to continue working well together on an ongoing basis, and/or look forward to working together again at some future point of time. Such a group has all-important long-term performance potential.

How Groups Can Help Organisations

Groups are good for people as:

- Groups improve creativity
- Groups make better decisions
- Groups increase commitment to action
- Groups help control their members
- Groups help offset large organisation size

Groups are important settings where people learn from one another and share job skills and knowledge. The learning environment and pool of experience within a group can be used to solve difficult and unique problems. This is especially helpful to newcomers, who often need help in their jobs.

Groups are also important sources of need satisfaction for their members. Opportunities for social interaction within a group can provide a sense of security in available work assistance and technical advice. Group members provide emotional support to one another in times of special crisis or pressure.

At the same time, they have enormous performance potential. However, groups can also have problems. One concern is social loafing, also known as the *Ringlemann Effect*. It is the tendency of people to work less hard in a group than they would individually. The term was founded by Max Ringlemann. He suggested that people may not work as hard in a group because (1) their individual contributions are less noticeable in the group context and (2) they prefer to see others carry the workload. Some ways for dealing with social loafing or preventing its concurrence include the following:

- Define roles and tasks to maximise individual interests
- Raise accountability by making individual performance expectations clear and identifiable
- Tie individual rewards to their performance contributions to the group

An important aspect of group work is *social facilitation*—the tendency for one's behaviour to be influenced by the presence of others in a group or social setting. In general, social facilitation theory indicates that working in the presence of others creates an emotional arousal or excitement that stimulates behaviour, and therefore affects performance. Arousal tends to work positively when one is proficient in the task. Here, the excitement leads to extra effort at doing something that already comes quite naturally. On the other hand, the effect of social facilitation can be negative when the task is not well learned. You may know this best in the context of public speaking. When asked to speak in front of class or larger audience, you may well stumble as you try hard in public to talk about an unfamiliar topic.

TEAMS

‘A team is a small number of people with complementary skills who are committed to a common purpose, set of performance goals, and approach for which they hold themselves mutually accountable.’

The difference between groups and teams is given in Figure 6.7.

Attribute	Working Group	Teams
Leadership	Strong clearly focused leader	Shared leadership goals
Accountability	Individually	Individual and mutual
Purpose	Group purpose same as broader organisational purpose	Specific team purposes that team itself delivers
Work Products	Individual	Collective
Effectiveness	Measures its effectiveness indirectly by its influence on others (such as financial performance of the business)	Measures performance directly by assessing collective work products
Dynamics	Discusses, decides and delegates	Discusses, decides and does real work together

Figure 6.7 *Difference between Groups and Teams*

EXERCISE

REVIEW QUESTIONS

1. Define various leadership styles.

2. Explain the various approaches to leadership.
3. Does leadership have any impact on organisational performance?
4. Explain ethics and its relevance.
5. Explain the relevance of values in today's context.
6. Do you think we should be adopting Indian ethos? Substantiate your answer with some examples.
7. Discuss the various factors influencing the value system of an organisation.
8. Analyze the relationship between CSR and business strategy.
9. Compare and contrast the international trends with Indian trends in CSR.
10. Explain the concept and importance of leadership.
11. A good leader possesses some good qualities. What are these good qualities?
12. Elucidate the principles of leadership.
13. Discuss any two leadership theories in detail.
14. Discuss the four types of leadership identified by Rensis Likert?
15. Write short notes on the following:
 - (i) Great Man theory (ii) Trait theory (iii) Behavioural theory
16. Explain participative leadership.
17. "Best action of the leader depends on a range of situational factors." Explain.
18. Discuss the different contingency theories.
19. Elaborate Fiedler's Least Preferred Co-worker (LPC) theory.
20. Elaborate leader-members exchange theory with LMX process.
21. Define group. Discuss the features of group.
22. What do you understand by group dynamics? Elucidate.
23. List out the different theories of group formation.
24. Discuss the different phases of group development as proposed by Tuckman.
25. Explain the four stage model of group development.
26. Differentiate between the following:
 - (i) Formal and informal (ii) Primary and secondary group.
27. What are the reasons which motivate individuals to join a particular group?
28. Discuss the reasons proposed by Robbins as to why individuals join group.
29. Write short notes on the following:
 - (a) Group status (b) Group role (c) Group norms (d) Group size (e) Group leadership
30. What do you understand by group cohesiveness? Discuss the factors that influence the group cohesiveness.

FILL IN THE BLANKS

1. _____ is the influential increment over and above mechanical compliance with the routine directive of the organization.
2. _____ is of the mind, more a matter of accurate calculation, statistics, methods, timetables, and routine – its practice is a science.
3. Groups in an organization are also made up of _____ usually containing 5-25 members.
4. Groups are also important sources of _____ satisfaction for their members.
5. Informal Groups emerge without being _____ designated by the organization.
6. _____ is a community phenomenon, crossing hierarchical levels, functional roles and professional affiliations.
7. _____ leadership is stated to have three core components i.e. 'envisioning, empathy, and empowerment.'
8. _____ explains group formation in terms of activities, interactions and sentiments of people.
9. Most people belong to many groups and categories, but many of these memberships have no influence on their _____.

10. A leader should use a _____ (high concern for task and low concern for people) with the least matured group of followers who are neither able nor willing to perform.
11. Blake and Mouton managerial grid is based on two parameters; one is concern for production; the other is _____.
12. Kurt Lewin identified three different styles of leadership; these are autocratic, democratic and _____.
13. Leaders can be made, rather than are born and successful leadership is based on definable, learnable behaviour, these are the assumptions of _____ theory.
14. The word _____ means simply that person affiliated with one another because of geographical proximity.
15. The Human's interaction theory is based on activities, interactions and _____.
16. Exchange theory is based upon reward and cost outcomes of _____.
17. Leadership is the ability to shape the attitude and behaviour of others, whether in formal or informal situations. (True/False).
18. LMX theory stands for _____.
19. Least Preferred Co-worker (LPC) theory was propounded by _____.
20. Hersey and Blanchard's theory of leadership is based on _____.

PROJECT WORK

1. Prepare an analytical report on three leading Indian corporate leaders.
2. Study the leadership styles in an organisation of your choice and review it in the context of organisational performance.
3. Study TATA Steel's efforts of CSR from the internet and present them in the class.

ANSWERS TO FILL IN THE BLANKS

- | | | | | |
|------------------------|------------------------|-------------------|-----------------------------------|--------------------|
| 1. Leadership. | 2. Management. | 3. Cliques. | 4. Need. | 5. Officially |
| 6. Grapevine. | 7. Charismatic | 8. Homan's Theory | 9. Social identities. | 10. Telling style. |
| 11. Concern for people | | 12. Laissez-Faire | 13. Behavioural | 14. Propinquity |
| 15. Sentiments | 16. Behaviour | 17. True | 18. Leader-member exchange theory | |
| 19. Fiedler | 20. Situational theory | | | |

Unit 3

Work Environment and Engineering Psychology



Chapter 7

Maintaining Healthy Environment

LEARNING OBJECTIVES

After reading this chapter, you will be able to understand:

- Environment for work
- Engineering Psychology and Ergonomics
- Role of Ergonomics and Human Machine Interface
- Boredom, its causes and effects
- Fatigue
- Industrial accidents, causes and methods of preventing accidents

INTRODUCTION

Every year, the Fortune magazine publishes a list of 100 best companies to work for. It is one of the magazine's most popular issues of the year. People love to read about companies where the grass may be greener. And managers find they can pick up tips to apply to their organisations to make them better places to work.

The most obvious reason is that everybody, whether a senior manager or frontline employee, would prefer to work in a good working environment. Since most people spend majority of their waking hours at work, the quality of work experience has a big impact on their lives. Everyone wants to look forward to going to work in the morning. And no one enjoys coming home from work feeling frustrated and discouraged from his or her experiences at work.

The demands made on engineering psychology are more critical than ever before. Planes fly at supersonic speeds, and weapons are so complex and dangerous that efficient and safe operations are of paramount importance. Engineering psychologists have also been called upon to assist in designing industrial equipment and consumer items. Osborne (1995) has traced the development of more modern person-machine interaction philosophies back to the early days of the last century, when modern warfare required people (fighting personnel and workers) in support of industries to operate at cognitive, emotional and physical levels that had not previously been needed. New physical environment, in the air, under water, in dark and/or noisy conditions, leading to outcomes such as fear, fatigue and even physical and emotional breakdown, necessitated careful analysis to ensure that the system did not require more than what the operator was able to 'give'.

Hence, based on the needs of time, initial concept of 'ergonomics' rested in the area of work efficiency, and on the impact of 'fatigue', 'stress' and 'physical work' (load carrying, rest, pauses, etc.). Lately, there has been a shift in the concept of ergonomics to person centered philosophy.

ENVIRONMENT FOR WORK

Man is probably the most adaptable of living creatures. Where physical structures fails, he has intelligence to supplement its failure, and no other creature is able to maintain life, as man can, at the equator and the pole, a mile underground and up in the air, in the Sahara and in humid spinning sheds. Yet, everyone knows that working efficiency varies greatly under such difficult conditions.

Mental Environment

The mind of every man carries desires, fears, anxieties, ambitions, hopes, friendships, enmities, which react upon his happiness and efficiency. His personal feelings also reflect the more general feelings which pervade the group he is working with there are mass fears, mass loyalties and mass anxieties. These are what we call '*atmosphere*' or '*environment*'.

Physical Environment

The causes of industrial accidents that pertain to unsafe conditions can include insufficient workspace lighting, excessive noise, slippery or unsafe flooring, extreme temperature exposure, inadequate protection when working with machinery or hazardous materials, unstable structures, electrical problems, machine malfunction or failure, and more.

Workplace design is concerned with a variety of physical conditions within work environments that can be objectively observed or recorded or modified through architectural, interior design, and site planning interventions. Lassitude, discomfort and fatigue are experienced by everyone who sit in a 'badly ventilated

room'. Worksites function as complex systems comprising of multiple social and physical environmental conditions, which jointly influence employee well being (Levi 1992; Moos, 1986, Stokols 1992).

Relationship between worksite environment and performance can be considered at several levels:

- (a) Physical environment of employees' immediate area primarily involves physical enclosure of work area, adjustable furniture and equipment, natural elements and personalised décor (Kaplan and Kaplan 1989), and presence of windows, light, etc, in the work area.
- (b) Ambient environmental qualities of work area involve speech privacy and noise control (Hedge 1991), controllable level of social diversity, good mix of private (Oldham, 1988) and team space. Symbols of corporate and team identity (Becker 1990; Danko, Eshelman and Hedge 1990).
- (c) Physical organisation of the work area involves injury resistant architecture, attractive lounge and food areas, legible signs and way finding aids (Becker 1990; Danko, Eshelman and Hedge 1990), and physical fitness facilities (Becker 1990; Danko, Eshelman and Hedge 1990, Mischelson, 1985).
- (d) Exterior amenities and site planning involve availability of outside recreation area, access to parking and public transit, proximity to marketing area, good quality air in surrounding area (Kaplan and Kaplan 1989).

ENGINEERING PSYCHOLOGY AND ERGONOMICS

Increased mechanisation, has resulted in the awareness that man and machine have to function in relation to one and another; which has resulted in shift from time and motion studies to *studying human work performance*. *Human Factors Engineering and Ergonomics* is the scientific discipline concerned with the understanding of interactions among humans and other elements of a system, and the profession that applies theory, principles, data, and other methods to design in order to optimise human well being and overall system performance. *Ergonomics* deals with the physical work environment, tools and technology design, workstation design, job demands, physiological and biomechanical loading on the body.

Definition

Hancock (1997) defines Ergonomics as '*that branch of science which seeks to turn human-machine antagonism into human machine synergy*'. Sanders and McCormick (1993) state ergonomics '*discovers and applies information about behaviour, abilities, limitations, and other characteristics to the design of tools, machines, tasks, jobs, and environments for productive, safe, comfortable, and effective human use.*'

Goal of Ergonomics

The amount of fatigue experienced depends largely on the posture of the performer. According to Bellis (2007), the goal of ergonomics in the workplace is to prevent injuries and illnesses (work related musculoskeletal disorders or WMDs) by reducing or eliminating worker exposure to occupational hazards. These hazards include awkward postures, repetition, force, mechanical compression, duration, vibration and temperature extremes (<http://inventors.about.com>); i.e. to increase the degree of fit among the employees, the environments in which they work their tools and their job demands.

Scope of Ergonomics

Recognition of the importance of designing equipment and system with the user in mind can be traced back to many centuries (Marmaras, Poulakakis & Papakostopoulos, 1999). The domain of human factors and ergonomics includes:

- Human capabilities and limitation
- Human machine interaction

- Teamwork
- Tools, machines and material design
- Environmental factors
- Work and organisational design

Role of Ergonomics

The role of ergonomics is to arrange a situation that enhances the chances of transmitter (employee) and receiver (machine) working becoming profitable. Ergonomics science abounds with methods, models and tools for designing work, predicting performance, collecting data on human performance and interaction with artifacts and the environment in which this interaction takes place.

Human Machine Interface

It is evident that an operator at work performs his or her task with a sense of *purpose*. He or she must have some purpose or goal to attain. Without purpose, the action has no meaning as far as the system is concerned and can be classified as 'random'. No amount of ergonomics can accommodate such behaviours—except ensuring that un-purposeful movements do not damage the system or cause accidents.

The next major of the person-machine system is *usability*. Lin, Choong & Salvendy (1997) define usability as 'the ease with which software product can be used to perform its designated task by its users at a specific criterion'. The definition places the usability firmly in the domain of the product—the extent to which it can be used by the user. ISO 9241-11 (1998) includes the concepts of *effectiveness*, *productivity* and *satisfaction*. Lin, Choong & Salvendy (1997) identified eight features that are important:

- **Compatibility:** Both stimulus-response (S-R) (Fitts & Seeger, 1953) and cognitive compatibility (Osborne, 1995) are important to ensure that the outcome of any control action are compatible with user expectations of that action.
- **Consistency:** This directly improves user performance and satisfaction and comprises both *internal* (within the system) and *external* (between systems) consistency.
- **Flexibility:** The interface should be able to adapt to users' needs; different users have different needs, skills, experiences, and so forth.
- **Learnability:** The learning process would be enhanced and the result retained for longer with well designed and well-organised interface.
- **Minimal Action:** User should undertake fewest actions to achieve a goal.
- **Minimal Memory Load:** Mental workload is strongly represented by working memory load. As Lin et al. argue, 'the less that users need to learn, the faster they can learn'.
- **Perceptual Limitation:** Perceptual organisation is the process by which people understand and represent relationships between apparently different stimulus elements.
- **User Guidance:** A system with good user guidance will, almost by definition, improve the learnability of the system as well as decreases the mental workload of users.
- **User Needs:** User centrality implies understanding, not only the needs, but also their very mode of 'operation'.

Ergonomic Process

The *Ergonomics Process* involves six steps (Figure 7.1). The industrial psychologist gets the ergonomic problem in Step 2; he assess the problem with existing methodologies. If any is applicable, he applies it and validates the outcome. If, however, no process exists, the industrial psychologist evolves the process by any of the methods, viz., observation, interview, etc. He then applies the process developed in Step 5

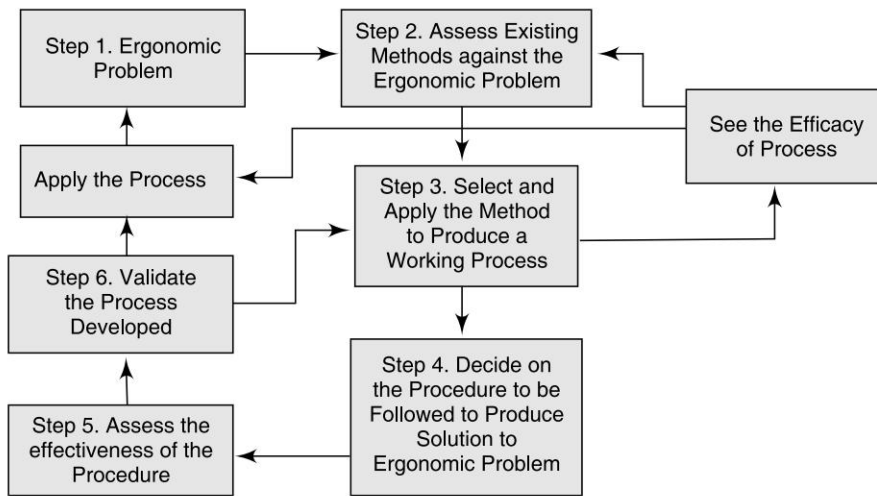


Figure 7.1 *Ergonomic Process*

and validates the same in Step 6. The ultimate criterion determining the efficacy of the process would be whether it enhances the human performance and interaction with artifacts and environment in which he is interacting.

BOREDOM

The Oxford English Dictionary (Simpson & Weiner, 1989) defines *boring* as tedious, wearying and dull. Boredom has been attributed to increasing amount of free time due to technical advancements (Ragheb & Merydith, 2001). Some authors claim that boredom is the result of lack of environmental stimulation, most agree that boredom is temporary and situation specific (Kelly & Markos, 2001).

Definition

Boredom has been defined by Fisher (1993) in terms of its central psychological processes: ‘an unpleasant, transient affective state in which the individual feels a pervasive lack of interest, in and difficulty in concentrating on the current activity’.

Leary, *et al.* (1986) and others define boredom similarly, and somewhat more succinctly as, ‘an affective experience associated with cognitive attentional processes’.

Process

Boredom, in general, results from the lack of physical and mental engagement, social isolation and negative mood of feelings, as well as various environmental characteristics (Ragheb & Merydith, 2001). In industrial arena, boredom also sets in due to performing of mundane and repetitive tasks that require little cognitive energy. Social isolation is the absence of others and a lack of friends intimate and platonic.

Causes of Boredom

Monotony and boredom are risk factors in safety at work. Boredom can be caused by a number of factors, and is a particular problem in large production units. It results from:

- (a) **Lack of Challenge and Variety:** Lack of challenge, due to short job cycle, which keeps number of operations to the minimum, causes boredom. The assembly line work, especially in auto industry, highlights this problem. The September 1, 1972 issue of Life (issue dedicated to boredom) says that repetitive work has led to boredom and men have gone on strike to make jobs more palatable.
- (b) **Lack of Skill and Independence:** Modern workers with high education and skill seek opportunities to use their skills and want to exercise control over their work. This lack of independence causes boredom in an employee.
- (c) **Automation** is another cause of boredom as the speed at which machine operates determines the pace of work.

FATIGUE

Industrial fatigue affects the worker's muscles, nerves and mind. Fatigue was accepted as a fact of common experience and was defined simply as 'a diminished capacity for work resulting from previous work done'. Cathcart, (1928, p. 20) states, 'Probably the best definition, which does not commit us to any explanation of its nature, is that it is a reduced capacity for doing work.' Viteles (1932, p. 441) said, 'Fatigue may be described as decreased capacity for work which results from work.'

Fatigue is caused by work of muscles in which resulting expenditure of energy is at a faster rate than is its recovery. Fatigue in industry is not localised and spreads to the whole individual.

Types of Fatigue

The Gilbreths divided fatigue into what they characterised as 'unnecessary', i.e., resulting from effort or work that does not need to be done at all and 'necessary', i.e., resulting from work that must be done in order to achieve the task. The key to minimising fatigue was, they claimed, through scientific motion study and implementation of improved methods. Unnecessary fatigue could be largely eliminated through better design of the workplace, while necessary fatigue could be minimised through the introduction of improved techniques and the provision of rest periods (Gilbreth and Gilbreth in Spriegel & Meyers, 1953).

Fatigue has also been classified as *physical*, *mental* and *nervous* fatigue (Forbes, 1943).

Physical Fatigue

'Under physical fatigue, I put all that arises mainly from extensive use of one or more muscles' (Forbes). The physical tests concern the pulse volume and pulse, breathing, blood pressure, etc.; the algometer (pain sensitivity) test, the ergograph and dynamometer (muscular work and strength).

Masso's Work on Fatigue The study on fatigue was carried out in the laboratory by Masso. He studied and measured the work done by flexing muscles. He used an '*ergo-graph*' to study the work done.

Masso's findings state that the performance decreases as muscles get fatigued and fatigued muscles take time for recovery.

Masso's Ergograph



In Masso's 'Ergograph', the hand is strapped and a weight is tied to the finger. The finger is made to flex.

Work/Fatigue Curve If a worker is working eight hours in a day, his efficiency in the first hour would be higher than the second hour. In the second hour, skill of production would more than the third hour. The increase in production and improvement in efficiency in the second hour is possibly due to the time required for work setting, initial warming up, attitude and mood to work. Workers tend to work in spurts. Workers

start in with considerable amount of interest in a new task, but rapidly, or gradually, this initial enthusiasm tends to run its course and disappears. After two to three hours, the worker's efficiency starts reducing. In the last hour, that is, the eighth hour, their efficiency would be very very low.

This is also referred to as '*The Law of Diminishing Marginal Productivity of Labourer*'. When other conditions remain constant, the efficiency of the labourer diminishes gradually. His skill of producing would be less than the previous hour, he worked. His productivity would become zero, there are chances of it becoming negative.

The efficiency and production follows the pattern as exhibited in the first session, but does not attain the same efficiency probably due to fatigue, and having not completely recovered. (Figure 7.2)

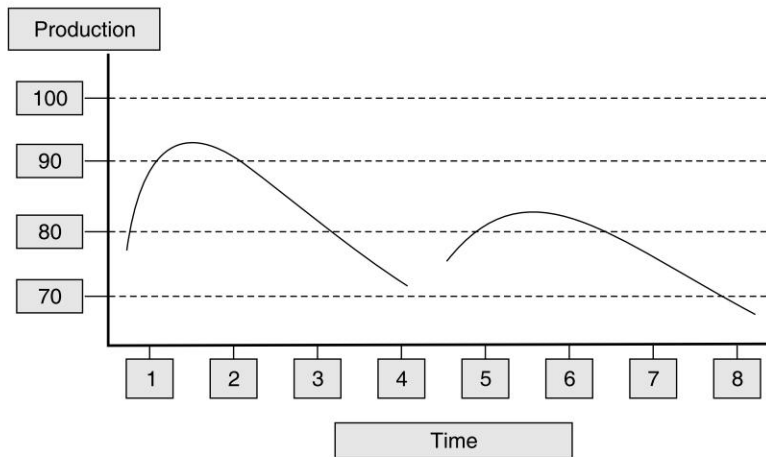


Figure 7.2 Work Curve

Mental Fatigue According to psychiatrists, majority of our fatigue is a product of our mental and emotional attitudes. Large amount of mental fatigue is probably due to sensations of muscular strain that accompany the process of adjustment during active attention. Feelings, such as boredom, resentment, anxiety, worry, and rushing, all cause us to feel fatigued because they produce nervous tension in our bodies. Emotions, such as these, create a great deal of tension in the core and this radiates outwards, infecting other parts of the body. The contracted muscles subsequently drain us of energy throughout the day and possibly even when we sleep. Worries and anxieties before going to bed affect the quality of sleep which would be greatly impaired, and one is likely to wake the following morning poorly rested.

Mental fatigue is not fatigue in the genuine sense of the term (i.e., exhaustion), but is rather distaste for the work at hand, and a desire to follow out more attractive activities the continually lure the worker away from the task. *Griesbach aesthesiometer-compass test* assumes that there is an essential relation between mental fatigue and the ability to discriminate sensory stimuli; greater the fatigue, the less is the test person able to distinguish two compass points when applied to the skin.

Nervous Fatigue Under nervous fatigue, comes the great bulk of fatigue that we all frequently feel and most commonly mean when we talk about being tired. It results from constant hurry and worry, emotional strains, and, in general, trying to work to the maximum of one's capacity in complex situations. The signs of nervous fatigue sometimes do not appear until the person has reached the stage of complete nervous exhaustion.

MONOTONY

Monotony has been stated as, ‘an environment in which there is either no change or change occurs in a repetitive and highly predictive fashion over which the individual has little or no control.’ (Kroemer, 2003)

Humans require stimulation to perk their interest rather than uniformity in working procedure which is conducive to boredom. However, when the stimulation becomes predictable and uncontrolled, humans tend to feel monotony, which leads to boredom, which is also an emotional state, the eventuality is mental fatigue where employee simply no longer expresses an interest in performing the task at hand.

RELIEVING BOREDOM, FATIGUE AND MONOTONY

How do you relieve boredom, fatigue and monotony?

The measures to relieve monotony, boredom, and mental fatigue, remarkably, are the same as the actions to build an intrinsic motivational environment (Chapter 3) that provides stimulation and challenges for the staff. Attention should be paid to the three fundamental factors, known as the three C's:

- (a) *Collaboration*, defining the context of work: Collaboration by a well functioning group on complex tasks requiring some degree of ingenuity usually results in a more creative and acceptable solution. A team or an individual tends to be more excited about their work, a result of the exchange of talent, and resources required by the cooperation, and the emotional support provided by the social group.
- (b) *Content* of the tasks and choice by the people about what and how they perform a task: Content must provide interest for the people performing the task. It has been said, ‘If you want people motivated to do a good job, give them a good job to do.’ (Kohn, 1999)
- (c) *Manager's Commitment* to the creation of environment. The highest level of motivation is obtained when people participate in the decision making process, goals can be set by others but it is necessary for the employee to hear, ‘This is what we need to do. How best can we get the task done?’ Under choice, the first thoughts occurring in management's mind when a problem arises should be to involve the staff in the resolution, since nothing justifies excluding the staff from active and responsible participation in decisions affecting their career. (Kohn, 1999)

INDUSTRIAL ACCIDENTS

Psychologists think of an accident as ‘an unexpected occurrence resulting in actual physical damage to a living being, or to a non-living or inanimate entity’. Accident in the workplace is linked with personal injury, while damage to machine is referred to as damage or disruption but not an accident. The cause of an accident can lie in the characteristics of the injured employee or of the subject, i.e., the damaged equipment or object. The cause can also be another worker providing erroneous information, a supervisor who has not provided complete job instructions and/or an instructor who has not provided correct and complete training. Research has shown that accidents can rarely be ascribed to chance happening, through possibility cannot be ruled out.

Tidbits

Accident Records

Systematic records of accidents are made due to interest of private and government agencies. These records are prepared to analyse the causes or why the accident occurred.

Definitions

‘An accident (including those that entail injury) is a sudden and unwanted event, caused by an outside influence that causes harm to people and results from interaction of people and objects.’

Causes of Accidents

In India, occupational injuries contributed to 2 percent of total deaths, 1.8 percent of total life-years lost due to disabilities and 2 percent of Disability Adjusted Life Years (DALYs) in 1990 (Sudhir, 1998). It is estimated that 19 fatal and, 1930 (1:100) non-fatal accidents occur annually per 100,000 workers (Nag and Patel, 1998). The incidence of industrial injuries among employed workers was 9/1000, with a frequency of 2.6 per 100,000 man-days work (Central Statistical Organisation, 2004). As per the NCRB report of 2001, 667 people were killed in factory/machine accidents.

Most accidents are caused by two factors:

- (a) *Situational factor*: Factors found in situation in which accident occurred.
- (b) *Personal or individual factor*: Factors which are to be ascribed to the individual who suffers an accident.

Situational Factors

Organisational Factors Work methods are also sometimes responsible for accidents. It has been seen that lengthy period of work, intensity and severity of work, rapidity of production and fatigue cause accidents. According to Feyer and Williamson (1991), a considerable proportion of all occupational fatalities in Australia (42.0 percent) involved preexisting and ongoing unsafe work practices as casual factor.

According to David A. Hofmann and Adam Stetzer in the 1996 *Personnel Psychology* (Vol. 49), a number of organisational factors that affect safety performance have been identified. They include pressure to complete work quickly. Inadequate organisational procedures for routine hazards, ineffective communication on safety and focus on production as opposed to safety at the management level. Pressure to complete work causes strains. Strains affect workers and its levels are measurable. Other organisational factor is the demand placed on the worker. Effects of demands show up physically or psychologically in the human body. Demands cause physical exhaustion, lack of coordination and unsafe behaviour. A number of studies have established the effectiveness of HR practices (Huselid, 1995; McEvoy and Cascio, 1985), establishing an overall consensus that certain ‘good’ HR practices lead to positive organisational outcomes (Delaney and Huselid, 1996; Becker and Gerhart, 1996). Organisational involvement has also been linked to improved safety outcomes (Oliver et al., 2002), but these have not been broken down into specific practices.

Social Situational Factors These include a wide variety of factors, such as possibility of losing a job, separate lunch and tea arrangements, influence of trade union or groups, discomfort in work place, etc.

Environmental Factors Improper temperature, intensity and quality of light and illumination, working hours, arrangement of machines, are all responsible for accidents. Other factors might include the degree of emphasis on safety in work groups and development of work plans with enough time allowed for safe performance. Also, the actions of management set a ‘safety climate’ for the organisation. Thus, effective groups—those that plan and coordinate efforts, have good knowledge of their jobs, share information, and have confidence in fellow team members—engage in less unsafe behaviour, are more likely to approach members that exhibit unsafe behaviour, and are associated with fewer accidents. In addition, worker perception of management commitment to safety-training programmes, management participation in safety committees, review of work pace, and consideration of safety in job design are related to both frequency of unsafe acts and accidents.

Individual Factors in Accidents

There is substantial evidence that indicates psychological and physical characteristics of people who play a major role in accidents. Industrial psychologists are mainly focused on these personal characteristics of people with a view to predicting and preventing accidents. In attempting to analyse the causes of an accident, or to predict the role of human factors in the process, it is not possible to understand all aspects of human processing, nor is it possible to know the role of intention before the accident occurred.

Working in modern factories with computer based controls is a highly complex task and the psychological components involved are the necessary skills (aptitude), the ability to apply these skills efficiently and effectively when operating machines and the willingness and the motivation to apply these skills when operating the machines (personality). Arthur, Barrett and Alexander (1990) state that of the several approaches predicting accident involvement, four categories seem to predominate, and these are: *personality, cognitive ability, aptitude and demographic variables*.

- (a) **Aptitude:** Aptitude refers to inherent ability to do a certain kind of work at a certain level. Regardless of one's training, experience, and educational background, the manner in which one carries out a specific sequence of events may vary greatly. Literature on human factors centered aviation accident analyses also report that skill based errors are known to be the cause of 80 percent of all accidents (Souvestre, Landrock, Blaber, 2008).
- (b) **Intelligence:** It is the capacity to perceive the relations between objects, persons and situations, or to do abstract thinking. Hence, it becomes mandatory to assess the intellectual ability of the person being recruited and the individual differences in basic cognitive processing.
- (c) **Faulty Attitude:** Conscientiousness is considered the most important dimension and predictor of performance among the *big five* personality traits (Patrick 2008). Lack of communication may set norms that discourage approaching others engaged in unsafe behaviour. Many studies were carried out to find the relation between personality and performance in terms of accident rates. More recent studies suggest that personality interacts with performance and could be one of the many factors, which contribute to accidents or incidents (Ganesh, Joseph 2005). Carelessness is another trait that can cause accidents. A wide ranging group of personality factors have been shown to be related to accident prone behaviour.
- (d) **Work Pressure:** Hofmann and Stetzer suggest that work pressure may lead to perceptions that short cuts are necessary to meet demands. For individuals, less-than-adequate time, training, and resources—all dimensions of performance pressure—were associated with unsafe behaviour, as was an ineffective work group, a negative perception of safety climate, and a lack of willingness to approach team members about safety.
- (e) **Impulsiveness/Impulsivity:** Impulsivity is one of the dimensions of individual differences frequently identified by theorists concerned with the biological bases of personality. Although the appropriate theoretical interpretation of impulsivity is a matter of ongoing debate, many models either explicitly or implicitly posit a relationship to arousal (for example, Barratt & Patton, 1983; H. J. Eysenck & Eysenck, 1985; Gale, 1987; Revelle, Anderson, & Humphreys, 1987; Schalling, Edman, & Asberg, 1983; Strelau, 1987; Zuckerman, 1983). Arguments that impulsivity is linked to arousal can be traced largely to Hans Eysenck (1967), who proposed that:
 - There are genetically influenced differences in basal arousal levels,
 - All individuals experience maximally positive hedonic tone at intermediate arousal levels,
 - Individuals who are chronically under aroused develop patterns of behaviour designed to increase their arousal.

Because social, spontaneous, and risky behaviours typically afford greater arousal potential, as it attracts attention immediately than solitary, planned, or safe endeavours. Hence, employees with low basal arousal levels cause accidents to draw attention.

Accident Proneness

German Psychologist, Marbe, put forth the principle of '*Accident Proneness*'. The hypothesis implies that some individuals have a personality type which predisposes them towards having repeated accidents. *Accident proneness* is, thus, *the continuing tendency of a person to have accidents as a result of his stable and persisting characteristics*. Accident proneness is found not only in individuals but also in certain set of circumstances.

Viteles (1932) states that, 'some individuals become more frequently involved than others because of either an inherent psycho-physiological predisposition toward accidents, or because of temporary change in attitude or outlook which increases the probabilities of being involved in an accident when the situation which may lead to one arises. such susceptibility is referred to as accident proneness.'

As per Marbe there are four distinct possibilities;

1. If accidents happen by chance then all are prone to them because of bad luck.
2. When one suffers an accident he becomes more cautious and is less likely to meet one in future.
3. When individual meets an accident he loses confidence in himself and may become more prone to accidents.
4. Individuals, because of biological and psychological makeup, are destined to have more accidents than others.

Blum and Naylor (1968) stated that, 'accidents do not distribute themselves by chance, but happen frequently to some men and infrequently to others as a logical result of combination of circumstances.' To them, accident proneness, although a factor, did not seem to be important cause as data of accidents indicates that 60–80 per cent of accidents are attributable to chance and 20 to 40 per cent to situational factors and personal characteristics of an individual.

The Gauchard team found that 27 per cent of the individuals they studied had more frequent than usual accidents with injuries. (See Box—Accident Proneness-French Study).

Most studies have arrived at a conclusion that some individuals are more prone to accidents than others.

Other Factors

Although psychologists failed to identify specific psychological traits or personality type which may be responsible for accidents, there is evidence that there are large number of psychological and physical factors that may predispose people to accidents.

1. **Sensory Motor Ability:** Clumsiness, inadequate motor skills, slowness of motor impulses and defective sense organs may be contributory factors. Poor scorers at the Sensory Motor Ability Test are more prone to accidents and have high accident rates.
2. **Difference in Muscular and Perceptual Speed:** Drake carried out work in this field and stated that 'individuals who are relatively quicker in recognising visual patterns that they are making in purely muscular (motor) responses tend to be accident safe. On the other hand, persons who are relatively slower in recognising visual patterns are inclined to be accident unsafe.'
3. **Perceptual Style:** Some evidence supports that perceptual style of individuals may cause accidents. Witkins's Field Dependence Test enables us to determine clearly among subjects who can perceive many details of their visual fields and those who are not able to do so.

Accident Proneness—French Study

A few studies reveal a few clues. A French team of public health researchers, led by Dr G C Gauchard of the WHO Collaborative Centre in the Faculty of Medicine at the Henri Poincare University in Nancy, attempted to identify the determinants of accident-proneness. They studied 2,610 French railway workers and reported their findings in the February 1, 2006 issue of *Occupational Medicine*.

The Gauchard team found that 27 per cent of the individuals they studied had more frequent than usual accidents with injuries. This was much higher than the researchers suspected. The researchers also found that youth, inexperience on the job, dissatisfaction with the job (indicated by applying for a job transfer), having no safety training, having a sleep disorder, smoking, and getting little or no exercise were all related to suffering more accidental injuries. Surprisingly, there was another factor too: Not having a personal hobby (such as gardening).

In 2001, a team of British researchers from the Manchester University Institute of Science and Technology, led by now emeritus Professor Ivan Robertson, identified three key personality traits of people who are not accident-prone:

- **Openness:** This is the tendency to learn from experience and to be open to suggestions from others. But the Robertson team cautions that too much openness can increase accident risk.
- **Dependability:** This is the tendency to be conscientious and socially responsible.
- **Agreeableness:** This is the tendency not to be aggressive or self-centered. The Robertson team argues that people with low levels of agreeableness tend to be highly competitive and less likely to, for example, comply with safety instructions.

4. **Emotional Stability:** People with emotional instability and emotional maladjustments are more susceptible to accidents.
5. **Intelligence:** Psychologists believe that combined scores of intelligence and emotional stability have better predictive validity as possible relationship between intelligence level and proneness to accidents have generally failed to show any conclusive results. However, people with higher intelligence are always safe. Tiffin and McCormick, (1962) state, 'Intelligence, as measured by a general aptitude battery or an IQ test, has also been linked to safety outcomes'. Individuals involved in increased injuries were found to underestimate risk, overestimate control, and lack understanding of how injury is caused (factors potentially related to intelligence), leading to fewer precautions, less timely action, and increased injuries (Gottfredson, 2004).
6. **Frustration:** Frustration produces instigation to aggression but this is not the only type of instigation that it may produce. Responses incompatible with aggression may, if sufficiently instigated, prevent the actual occurrence of acts of aggression. In our society punishment of acts of aggression is a frequent source of instigation to acts incompatible with aggression (Dollard, Doob, Miller, Mowrer, and Sears. 1939). A frustrated employee may rough handle the machine unmindful of consequences; this may lead to unsafe behaviour.
7. **Previous Experience:** It has been observed during analysis of industrial accidents that an employee who is recently appointed has more chances of meeting an accident than an experienced employee. The major causes are training, natural reflexes and decision making process in crisis situation. In Hansen's (1989) causal model of accidents, he found job experience was one of the only two variables that were significant parameters of accident risk. Experience provides employees with knowledge of both general industrial hazards, as well as familiarity with individual machines and components (Hale

and Hale, 1972), providing an expectation that increased work experience should be associated with reduced employee injuries.

8. **Age of Employee:** As a general rule, it has been determined by research by psychologists that susceptibility to accidents reduces with age.
9. **Vocational Interest:** In a study by Kuncze, persons choosing adventurous and cautious were segregated on the basis of *Strong Vocational Interest Blank* (SVIB). SVIB is a device to identify differences among those occupations that college students usually enter. Interest ratings are necessary to determine the areas that are most stimulating to the employee. For this reason, interest ratings are better indices for job persistence than of job success. E.K. Strong, Jr. summarises, 'A person should consider seriously those occupations in which he receives high scores on the Strong Vocational Interest Blank before entering some unrelated occupations. On the other hand, he should scrutinise critically any occupation in which he receives a low score before accepting it as a final choice.' The **accident proneness index** can be derived from SVIB by subtracting the scores made by adventurous from those made on cautiousness. It was found accident was higher for adventurous than for cautiousness.

Strategies for Preventing Accidents

The first step is to reduce the environmental and situational factors. These can be done through:

1. **Selection:** Past research has indicated organisations may improve their safety outcomes through two primary selection processes: (a) identifying and eliminating individuals unsuited to certain types of work, and (b) by hiring for positions that require a very high degree of skill where the cost of accidents as well as the ratio of applicants to positions open is high.
2. **Prior work experience:** It has been one of the longest used screening tools in the selection process. When screening for work experience, organisations typically seek experience in the industry as well as for a specific type of work. If an individual does not have prior experience then training is one of the practices most commonly discussed in the literature as a way to improve employee safety. Training employees on attitudes and beliefs toward safety has been shown to be effective (DeJoy et al., 2000; Harvey et al., 2001).
3. **Training interventions:** on the supervisor and employee level have been associated with reduced lost-time injuries and injury costs (Harshbarger and Rose, 1991), a decrease in minor injury rates, an increase in protective equipment usage, and improved safety climate ratings (Zohar, 2002).
4. **Personality:** Characteristics, such as extroversion (Powell et al., 1971), general social maladjustment, neuroticism, impulsivity, and aggression (Hansen, 1988), have been linked specifically to industrial accidents. Hence, test should be conducted prior to selection of an employee.

According to Hofmann and Stetzer, safety interventions tend to focus on the individual to the neglect of broader factors that may implicitly reward unsafe behaviour. They indicate that safety practitioners should consider organisational diagnosis to identify root causes of unsafe behaviour and accidents. In this example, role overload may call for individual intervention, but the findings on group process call for team-level interventions. In addition, negative perceptions of the safety climate among some teams suggest that management can more strongly emphasise safety.

FACTORIES ACT 1948

The Government of India enacted the Factories Act 1948 to ensure safety of workers.

The Factories Act 1948

Applicability of the Act

Any premises whereon 10 or more persons with the aid of power, or 20 or more workers are/were without aid of power working on any day preceding any day of the preceding twelve months.

Registration and Renewal of Factories

To be granted by Chief Inspector of Factories on submission of prescribed form, fee and plan.

Secs. 6

Employer to ensure health of workers pertaining to

- Cleanliness, disposal of wastes and effluents
- Ventilation and temperature, dust and fume
- Overcrowding, Artificial humidification Lighting
- Drinking water, Spittons

Chapter 3 of the Act

Safety Measures

1. Fencing of Machinery. Sec 21
2. Work near machine in motion Sec 22
3. Employment of young persons on dangerous machines. Sec 23
4. Casing of new machinery. Sec 26.
5. Prohibition of employment of women and children near cotton-openers. Sec 27.
6. Floors, Stairs, etc. Sec 32

Act is elaborate and consists of Secs 21–41 of Chapter 4 of the Act

Welfare Measures

- Washing facilities
- Facilities for storing and drying clothing
- Facilities for sitting
- First-aid appliances—one first aid box, not less than one for every 150 workers.
- Canteens when there are 250 or more workers.
- Shelters, rest rooms and lunch rooms when there are 150 or more workers.
- Creches

Chapter 5 of the Act

Working Hours, Spread Over & Overtime of Adults

- Weekly hours not more than 48.
- Daily hours not more than 9 hours.
- Intervals for rest at least ½ hour on working for 5 hours.
- Spreadover not more than 10½ hours.
- Overlapping shifts prohibited.
- Extra wages for overtime double than normal rate of wages.
- Restrictions on employment of women before 6 a.m. and beyond 7 p.m.

Secs. 51, 54 to 56, 59 and 60

Other Salient Points

1. Employment of Young Person. Chapter 7 of the Act
2. Annual leave and Provisions. Chapter 8 of the Act
3. Special Provision, like notifying accidents, etc. Chapter 9 of the Act
4. Penalties and Procedures. Chapter 10 of the Act
5. Supplemental Chapter 11 of the Act

Detailed Act can be accessed at—labour.delhigovt.nic.in/act/factories.html

EXERCISE

REVIEW QUESTIONS

1. What did the Gilbreths mean by the terms 'necessary' and 'unnecessary' fatigue?
2. Discuss boredom. What are its causes? How does it impact industrial production? How does it differ from monotony?
3. What are the causes of industrial fatigue? How can fatigue be overcome?
4. Write a short note on the indicators and psychological symptoms of industrial fatigue.
5. Define ergonomics. How does it help in improving production?
6. Industrial accidents are major cause of disruptions. What are industrial accidents? What are their impacts? How can industrial accidents be prevented? Discuss.
7. What do you understand by accident proneness? Discuss.
8. How does an individual factor affect accidents? Discuss.
9. Give some tips for reducing adverse effect of atmospheric conditions.
10. What do you understand by 'work environment'? Analyze the importance of music in improving the efficiency of workers.
11. How illuminations affect the efficiency of a worker? What are the difficulties that come from illumination and advising tips for reducing that difficulty?
12. Discuss the influence of long working hours in the efficiency of workers.
13. Suitable working condition is required for high production. Discuss.
14. Describe the importance of reducing noise at workplace. Support your answer with experimental studies.
15. What are the different types of industrial fatigue?
16. Why do we get fatigued? What are the basic symptoms of fatigue?
17. Discuss the causes and remedies of industrial fatigue.
18. Describe some experiments which have contributed towards study of industrial fatigue? (Students must take assistance of internet to prepare the answer)
19. What are the effects of fatigue on industrial workers?
20. Describe the effects of boredom on industrial workers?
21. What are the actions taken by the management to reduce the boredom of their workers?
22. Define the concept of industrial accident.
23. What are different causes of industrial accident?
24. What is meant by accident proneness?
25. Write notes on the following:
 - (i) Accident cost
 - (ii) Accident measurement
26. How do industries prevent accident? Give some safety measures.

FILL IN THE BLANKS

1. The mind of every man carries desires, fears, anxieties, ambitions, hopes, friendships', enmities—which react upon his happiness and _____.
2. _____ is concerned with variety of physical conditions within work environments that can be objectively observed or recorded or modified through architectural, interior design, and site planning interventions.
3. Ergonomics deals with the physical work environment, tools and technology design, workstation design, job demands, physiological and _____ loading on the body.
4. The amount of fatigue experienced depends largely on the _____ of the performer.

5. _____ is the work place is linked with personal injury, while damage to machine is referred to as damage or disruption but not an accident.
6. Psychologists believe that combined scores of intelligence and emotional stability have better predictive _____ as possible relationship between intelligence level and his proneness to accidents have generally failed to show any conclusive results.
7. When screening for work experience, _____ typically seek experience in the industry as well as for a specific type of work.
8. _____ occurs when there is too much direct or reflected light within the field of view.
9. Boredom is commonly referred to as _____ fatigue which leads to work decrement.
10. Rest pauses if _____ lead to boredom.
11. Boredom is often associated with jobs that are _____.
12. According to the Factories Act, 1948, it is 'an occurrence in an industrial establishment causing bodily injury to a person who makes him unfit to resume his duties in the next _____'.
13. Speed of work is one of the _____ related causes of accident.
14. If work or task is compatible to a worker, then chance of accident should be minimized _____ (True/False).
15. The accident _____ is the total number of days charged or lost because of accidents per 1,000,000 man-hours worked.
16. Indirect accident causes include _____.
17. If two workers are operating on a similar machine under identical situation, one may commit more accidents than the other. The first worker will be called an 'accident-prone operator'. This statement is _____ (True/False).

PROJECT WORK

The students should visit the nearest factory and study the u/m:

- (a) Means adopted to overcome boredom and fatigue in workers by management.
- (b) Number of accidents that occurred in the factory over last five years and their causes. Measures taken by factory to overcome the same.

ANSWER TO FILL IN THE BLANKS

- | | | |
|--------------------|--|-------------------|
| 1. Efficiency. | 2. Workplace design. | 3. Biomechanical. |
| 4. Posture. | 5. Accident. | 6. Validity |
| 7. Organizations | | |
| 8. Glare | 9. Physical and mental | 10. Short |
| 11. Repetitive | 12. 48 hours | 13. Work |
| 14. True | | |
| 15. Frequency rate | 16. Loss of motivation amongst the workmen | |
| 17. True | | |

Chapter 8

Job Analysis

LEARNING OBJECTIVES

After studying this chapter, you will be able to understand:

- Concept, nature and purpose of job analysis
- Definition
- Objectives of job analysis
- Uses of job analysis
- Process and methods of job analysis
- Job description
- Job specification
- Job design approaches
- Role analysis
- Methods of job designing

INTRODUCTION

'Job analysis' and 'work design' are tools of motivation (Figure 8.1), and are important for interventions in practices that are based on insights and theories of industrial psychology. *Job analysis* is the analysis, measurement, control and redesign of a set of activities; is performed after the job has been designed and the employee is functioning on it. It is a systematic process and is always subject to change. It may become obsolete within a short span of time.

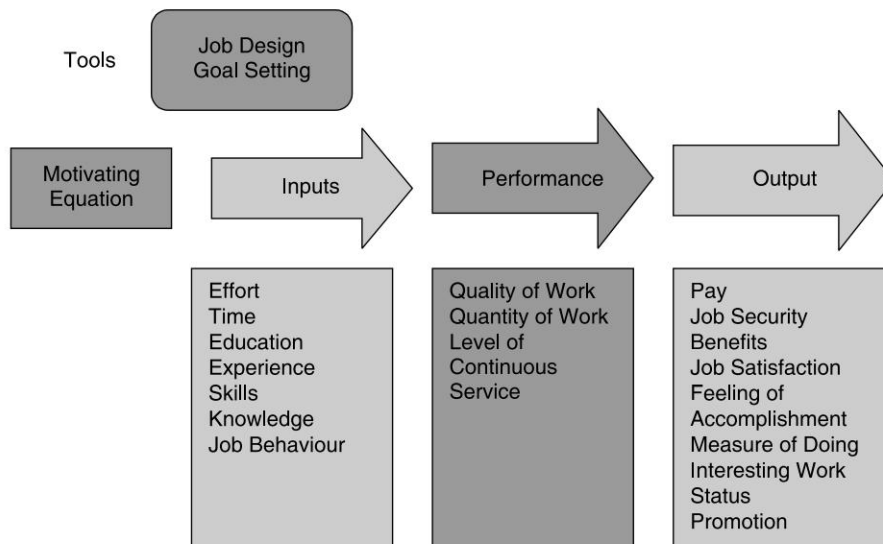


Figure 8.1 *Motivating Tools*

The business owners and organisations, including government agencies like defence, etc., base their personnel policies on explicit and well proven principles. The organisations or enterprises that follow these principles have higher performance and better growth rates than others. The most important principles are:

- Positions in the organisation should be filled with people who are willing, devoted and have the requisite qualifications.
- More accurate and realistic the specifications of the skill requirements for each job, more likely it is that the employee selected would match the job requirement and, hence, would be able to perform competently.
- Proper and specific job description and definitions is the key to communicating organisational expectation.
- This helps in choosing the best person and, hence, the performance is high and image of the organisation is built.

Brief History of Job Analysis

Wilson (2007) presents detailed history of job analysis in a comprehensive treatment of the *Foundation of Industrial/Organizational Psychology*, edited by Kopes (2007). One of the first industrial/organisational psychologists to introduce standardised job analysis was Morris Vitels. As early as in 1922, he had used job

analysis to select employees for trolley car company (Viteles, 1922). Over the years, experts have presented many different systems to accomplish job analysis (See Gael, 1988). Since these are no longer in use we will not describe them here. What we can say is that these systems have become increasingly detailed, with greater concentration on tasks and less contribution on human attributes. Fortunately the trends have been reversed and you will study newer systems that have brought job analysis back to an examination of the behavioural roots of work.

THE CONCEPT OF JOB, POSITION, OCCUPATION AND CAREER

In the latter half of the 20th century, E.J. McCormick approached the description of work in a systematic taxonomic vein which has been widely recognised for its utility. Firstly, *Job*, may be defined as *an assignment of work to be performed by an employee, calling for a set of duties, responsibilities, knowledge, skills and conditions that are different from those of other work assignment*. It can also be defined as a position or a group of positions that are similar as to the kind and level of work. It is the smallest unit into which work can be divided. Job involves group of positions involving same duties. A duty relates to a number of tasks. For example, two gardeners who are performing similar duties and require similar training, knowledge, skills, experience and qualities are said to hold same kind of job although they may be working in different locations.

Position is the location assigned to an individual in an organisation for accomplishment of tasks assigned. There are as many positions in an organisation as there are number of persons. It relates to duties and responsibilities. A position refers to one or more duties performed by an individual in the organisation.

The term *occupation* is used in a wider sense. An *occupation* refers to a group of jobs that are similar as to kind of work, or that possess common characteristics. There is similarity in the kind of work, and possess certain characteristics.

Another term that is popular but does not affect job analysis is *career*. It relates to all jobs, positions or occupations held by an individual during one's working life.

DEFINITION

Job analysis is the systematic investigation that collects all information pertinent to each task performed by an employee. From the analysis, one is able to identify the skills, knowledge, and ability required of that employee, and determine the duties, responsibilities and requirements of each job.

Edwin B Flippo (1984, p. 114) has defined job analysis as,

'Job analysis is the process of studying and collecting information relating to the operations and responsibilities of a specific job. The immediate products of this analysis are job descriptions and job specifications.'

David A DeCenzo and S.P. Robbins (1989, p.111) define job analysis as,

'Job analysis is a systematic exploration of the activities within a job. It is a basic technical procedure, one that is used to define the duties, responsibilities and accountability of a job.'

US Department of Labour defined job analysis as, *'the process of determining, by observation and study, and reporting pertinent information relating to the nature of specific job. It is the determination of the tasks which comprise the job and of the skills, knowledge, abilities and responsibilities required of the worker of a successful performance and which differentiate one job from all others.'*

Gael captures the essence of job analysis by stating:

Job analysis is *'a major support activity for the primary functional activities of organisational staffing, employee training and development, employee compensation, labour relations, and job design. Jobs are*

analysed in order to identify the ability requirements necessary for an employee to complete successfully a job's tasks, and to identify rewards associated with the job and how these rewards can be used to motivate employee work behaviour and satisfy important employee needs.'

From the above definitions, it can be deduced that job analysis is (Figure 8.2):

- (a) A systematic study of jobs
- (b) Identifies the nature of job
- (c) Provides inputs for selecting an appropriate person
- (d) With right skills, experience, knowledge, abilities and behaviour

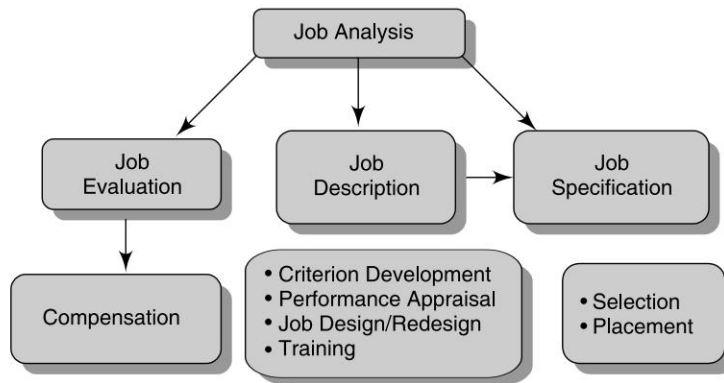


Figure 8.2 *Job Analysis*

The process of job analysis is essentially one of data collection and then analysis of that data. The data can be classified as:

- (a) Job identification
- (b) Nature of job
- (c) Operation involved in accomplishment of the job
- (d) Material and equipment used for doing the job
- (e) Personal attributes and behavioural skills required
- (f) Relation with other jobs

OBJECTIVES OF JOB ANALYSIS

Levine (1983) mentions no less than eleven different objectives within the broad field of management of human resources in work organisation in which information on tasks is used. The objective of job analysis is to study the processes, simplify methods, measure work for establishing standards, both with respect to time and standards, provide information for compensation, and improve all processes for attracting, recruitment and retention of employees. These can be classified as:

- (a) Job redesign—for simplification of work process/procedure
- (b) Appraisal, retention and compensation—by establishing work standards
- (c) Support other personnel activities as promotion, training and development, etc.

TYPES OF JOB ANALYSIS

The purpose of job analysis is to combine the task demands of a job with our knowledge of human attributes and produce theory behaviour for the job in question. There are two approaches:

- (a) **Work or task oriented job analysis:** This approach begins with a statement of the tasks the worker actually performs, the tools or machines used, and the work context.
- (b) **Worker-oriented job analysis:** This approach begins by focusing on the attributes and characteristics of the worker, necessary to accomplish the tasks that define the job (Brannick et al. 2007).

Regardless of which approach is adopted, the next step in job analysis is to identify the attributes, the KSAOs that an incumbent needs for either performing the tasks or executing the human behaviour described in job analysis. KSAOs can be defined as:

- (a) **Knowledge:** A collection of discrete but related facts and information about a particular domain acquired through formal education or training, or accumulated through specific experiences (Peterson, Mumford, Borman, Jeanneret & Fleishman, 1999, p. 71).
- (b) **Skills:** A skill is the learned capacity to carry out pre-determined results, often with the minimum outlay of time, energy, or both.
- (c) **Ability:** Possession of the qualities (especially mental qualities) required to do something or get something done.
- (d) **Other characteristics:** Personality variables, interests, training and experience.

Job analysis methods have evolved using both work or task oriented and worker oriented systems (Fine 1988, McCormick, Jeanneret & Meham, 1972). Since both approaches end up in the same place—a statement of KSAOs—neither can be considered the ‘right’ way to conduct job analysis. Since worker oriented job analyses tend to provide more generalised descriptions of human behaviour and behaviour patterns, and are less tied to the technological aspects of a particular job, they produce data more useful for structuring training programmes and giving feedback to employees in the form of performance appraisal information. In addition, the volatility that exists in today’s typical workplace can make specific task statements less valuable in isolation. Tasks are made more obsolete by technological changes, or are assumed by teams rather than individuals. For all these reasons, employers are more likely to use worker oriented approaches to job analysis today than they were in past.

PURPOSE OF JOB ANALYSIS

Job analysis enhances the effectiveness of human resource activities as it helps in identifying the right person and employing him on the right job to have optimum results. It helps in selection, training and development, performance appraisal and enumeration fixation. (Figure 8.3 lists the uses of job analysis)

Ash and Levin have pointed out the major organisational purpose for which job analysis can/has been used are:

- (a) **Job description:** It involves job information, job summary, duties, responsibilities, specifications and standards.
- (b) **Job classification:** Arrangement of job into classes, groups, families according to classification schemes.
- (c) **Job evaluation:** Establishing the relative worth of jobs using internal and external reference to set enumeration.
- (d) **Personnel requirements/specifications:** For attracting, acquiring, and deploying personnel. Setting forth the knowledge, skills and abilities required for successful performance of the job.
- (e) **Performance appraisal:** Factors or dimensions forming the basis for the performance appraisal should be relevant, i.e., job related.

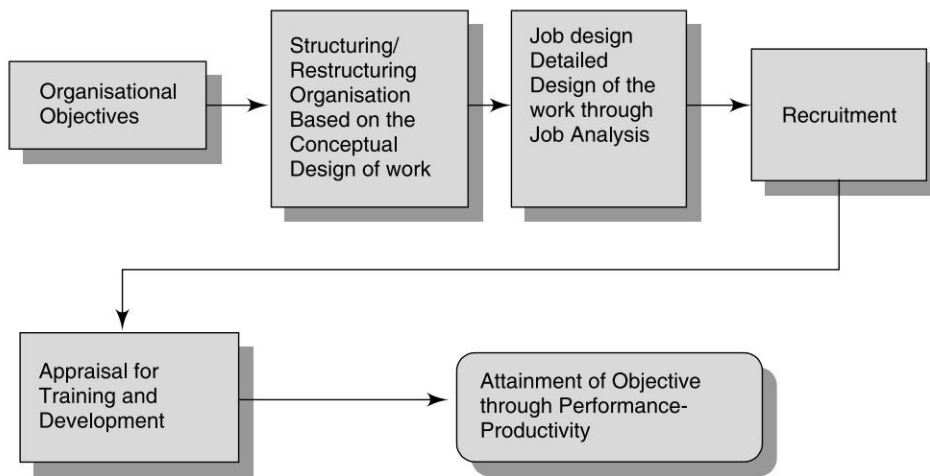


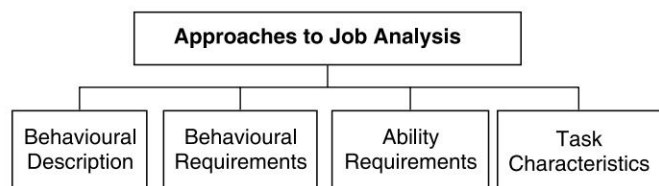
Figure 8.3 *Uses of Job Analysis*

- (f) **Worker training:** Providing for the performance oriented task basis, and/or 'worker characteristics' required for accomplishment of the job.
- (g) **Worker mobility:** Career development, career lattices, necessary to progress individuals into and out of positions, jobs and occupation.
- (h) **Efficiency and safety:** Designing the most efficient and safe work procedures, layouts and standards.
- (i) **Manpower and workforce planning:** Ensuring the organisation has the right kind and number of people in the right places at the right time doing the right work/job. Also, ensuring self-actualization and growth of people and utilisation of their skills and talents.
- (j) **Legal, quasi-legal requirements:** Framing work in conformity with legal requirements or obligations imposed by legislative bodies or courts. Framing work to comply by government, industry's, union's regulations or guidelines.

THE PROCESS OF JOB ANALYSIS

The type of job information that serves as the basis for descriptions makes a major difference between various approaches. There are four different approaches (Algera, 1987, 1989, 1991; Flieshman & Quaintance, 1984) to carry out job analysis. However, all these approaches have a similar process.

The four approaches are:



- (a) **Behavioural description:** This approach focuses on the behaviour the task performers actually display in executing the task, like reading instruments or adjusting control switches.
- (b) **Behaviour requirements:** This approach is aimed at the behaviour the task performers should display to accomplish the task successfully.
- (c) **Ability requirements:** Tasks are analysed in terms of human abilities and personal traits needed to perform the task successfully.

- (d) **Task characteristics:** The focus here is on task analysis in terms of objective characteristics of the task, separate from the behaviour that should be displayed (behaviour requirements), or is actually displayed (behaviour descriptions), or the required human abilities (ability requirements). This approach is important if one wants to consider the content of work as a factor for motivation and job satisfaction.

Having determined the approach, the process of analysis is then set into motion. Figure 8.4 illustrates the process of job analysis.

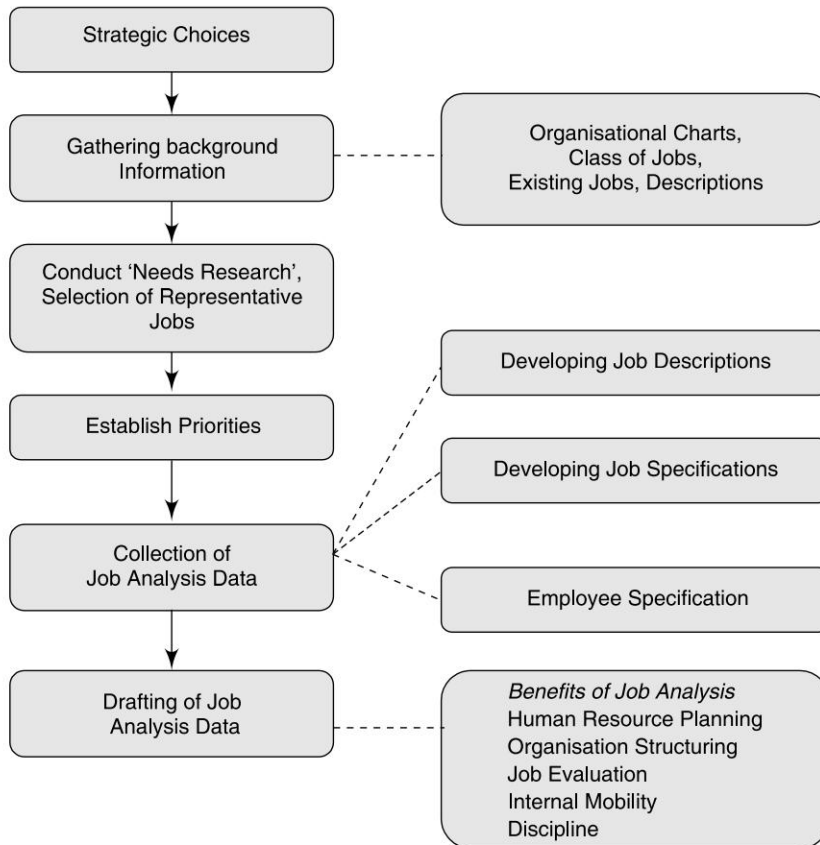


Figure 8.4 *Process of Job Analysis*

Strategic Choices

The organisation makes specific choices with regard to job analysis. The company has to determine the level and depth of analysis to be carried out, past oriented versus future oriented, schedule and frequency, and sources of job data. The analyst here must answer how the analysis is expected to be employed/used. It enables the organisation to select employees and train them so that they are ready to occupy positions when the need arises.

Gathering Background Information

The job analyst, after getting direction, looks at the organisational chart to determine the number of positions, current position descriptions, job specifications, systems and flow charts. The organisations usually have an organisational chart with positions marked depicting the organisation of division of work and the process charts (Figure 8.5) providing more detailed picture of flow of work in its simplest form.

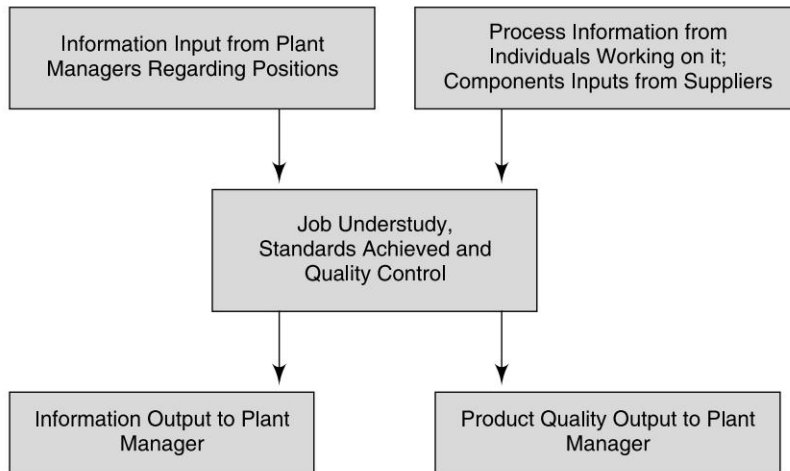


Figure 8.5 *Process Charts*

‘Needs’ Research

In the next step, the analyst carries out ‘need’ determination. He identifies the requirement and where the information and analysis carried out would be utilised, then selects a representative position to collect data.

Establish Priorities

After having determined the need, the analyst must determine the priority in which he must conduct the analysis.

Collection of Job Analysis Data

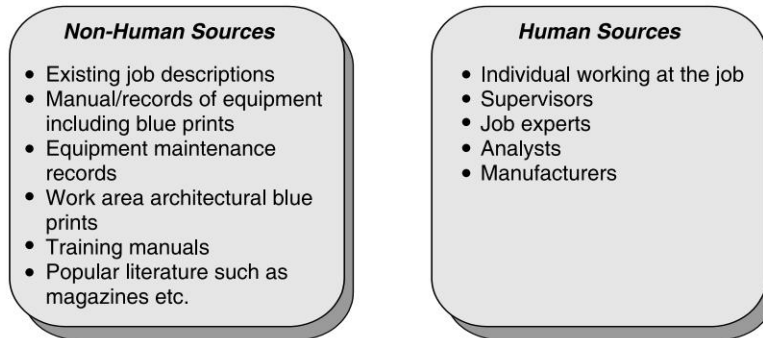
The analyst collects data about the selected jobs, as they are being currently performed. The analyst employs one of the established techniques for carrying out analysis. Thereafter, the analyst develops job specification, job description and employee specification. Usually, job descriptions are written statements.

DRAFTING JOB ANALYSIS DATA

The analyst develops job analysis data, which is utilised for various activities in the organisation involving the recruitment at one end to training and development, to internal mobility and promotion, evaluation of performance on the other end of the spectrum. It is here that the analyst actually interacts with the worker performing the job.

SOURCES OF JOB DATA

The analysis of job requires collection of data about the jobs. There are two sources from which data can be collected, viz., human sources and non-human sources (See Figure 8.6).



Source: Adapted from Cynthia D. Fisher et. al. *Human Resource Management*, p.140

Figure 8.6 Sources of Job Data

The job analyst must first obtain data from existing sources, such as product manuals, training manuals, job cards, etc. In addition, the job analyst must interact with persons performing the job. This would provide him with an opportunity to see how the job is being performed. Endeavour should be made to collect data from as wide a spectrum of persons as time permits.

The data collected has multifarious functions. The data especially stands handy when the firm defends its human resource practices in courts of law. The courts are particularly interested in the adequacy of the job analysis information.

METHODS OF COLLECTING JOB ANALYSIS INFORMATION

Job analysis is a systematic exposition of activities within a job. It is a scientific method employed to define duties, responsibilities and accountability of a job. Hence, it involves the identification and description of what is happening on the job. There are several methods of collecting information. Some of the most prominent ones are: (i) interview, (ii) observation, (iii) diary or logbook of job incumbent, (iv) checklist method, (v) technical conference, etc.

Interview

Personal interview of job incumbent and his supervisor is the most commonly used method of job analysis. The job analyst employs two methods while conducting an interview. *Un-structured questionnaires* or *job analysis worksheets* are employed when the analyst wants to draw out job description information from the job incumbent as he sees it. This method is especially utilised when the analyst wants to develop the task lists. The interviewer can conduct the interview individually or in a group with employees with same jobs or supervisor. Group interviews are best used for managerial and supervisory positions, or in conjunction with desk audit when there are several positions and the analyst wants to make sure that nothing is missed out. It tends to generate very good selection information (criteria for choosing new employees). The process is quite time consuming.

Observation Method

In this method, the analyst directly observes the worker or a group engaged in doing the job. He thereafter takes notes to describe the tasks and duties performed. If a particular job is simple and repetitive, observation may be the only technique required for carrying out job analysis. Draughtsman's, weavers', mechanic's are examples of such jobs. It is an excellent method for understanding and appreciating the conditions under which work is performed. It enables the analyst to experience the aspects of the job that the worker may not be aware of.

Use of this technique is limited because there are many jobs involving mental processes and circumstances which cannot be directly observed, or jobs that do not have complete observable cycle. It is preferable to combine the observation method with interview technique to get better results.

Questionnaire Use of this approach is made when there are several positions and it is not feasible to bring large number of employees together for the interview. In this method, the analyst prepares a questionnaire or uses the standard questionnaire readily available, off the shelf, to conduct job analysis. The questionnaire consists of basic information and some questions relate to his or her responsibilities. The analyst prepares the questionnaire or selects the test after a brainstorming session, or by conducting one or more desk audits. Questionnaires can also be designed to clarify information gathered during brainstorming, desk audits, etc.

Quantitative Techniques In this method, standard actions are quantified. Each action is represented by a figure giving degree of difficulty, or repetitive nature, or criticality of action. This facilitates easy comparison.

Position Analysis Questionnaire It was developed by McCormick in 1972 because of the criticism that job analysis relied on observation and was not quantifiable. It is work oriented questionnaire made up of 194 items, each related to an independent work activity to which the respondent has to answer. These are classified into six groups, as under:

- (a) **Information input:** Basically dealing with how information is obtained by an employee
- (b) **Mental processes:** Dealing with reasoning, planning, organising and decision making
- (c) **Work output:** The physical activity undertaken and tools and machines used
- (d) **Relationships:** The contact developed and maintained while carrying out the job, both internally, within the organisation, and externally
- (e) **Job context:** The physical and social context in which job is performed
- (f) **Other job characteristics:** Any other specific characteristics of the job that have not been covered in the questions above.

This questionnaire determines the extent to which each task is applicable to performance of the job. There is provision for rating each job. A specific rating scale is designated, to be used with each job element, in particular, the scale is considered most appropriate to the content of the element. All but the 'A' (applicability) scale are six (6) point scales, with '0' (which is coded as 'N') being used as does not apply (see Figure 8.7).

Occupational Analysis Inventory *Occupational Analysis Inventory* has been developed by Cunningham, Boese, Neeb and Pass (1983). It is intended to be an improved variant of *Positional Analysis Questionnaire*. The Occupational Analysis Inventory consists of 617 items that largely describe work activities divided in to five sections, viz., (1) information received, (2) mental activities, (3) work behaviour, (4) work goals, (5) work context.

There are six types of rating scales used.

Letter Identification	Type of Rating Scale
U	Extent of Use
I	Importance to the Job
T	Amount of Time
P	Possibility of Occurrence
A	Applicability
S	Special Code

A specific rating scale is designed to be used with each job element. All but 'A' (applicability) scale are 6-point scales with '0' which is 'N' (being used for does not apply).

Rating	Importance to the Job
N	Does not apply
1	Very minor
2	Low
3	Average
4	High
5	Extreme

Source: William P. Anthony, et.al. (1993). *Strategic Human Resource Management*, Dryden Press, p. 223.

Figure 8.7 Rating Scale to be Used with Position Analysis Questionnaire

In occupational analysis inventory, weight of attributes has been determined, from which it is possible to deduce how important certain human characteristics are for certain activity. A shortened version, called *General Work Inventory*, has been made. General Work Inventory has 200 questions.

Work Profiling Systems It has three different questionnaires with more than 800 questions for different job groups, management and staff, administrative and service personnel, and skilled and technical workers. In designing Work Profiling System, 'Human Attributable Profiles' have been constructed for the activity described in each item. The Work Profiling System test can be conducted on the computer. The output is a short report, comprising of the most important context information and the profile of the required characteristics. A shortened version of the Work Profiling System has been constructed and is called the *Direct Attributable Questionnaire*. The questionnaire leads to a direct estimate of Human Attributable Profiles.

Management Position Description Questionnaire Another prepared questionnaire frequently used is the *Management Position Description Questionnaire*. It is a highly structured questionnaire and contains 208 items relating to managerial responsibilities, restrictions, demands and miscellaneous position characteristics. These 208 items are grouped under thirteen (13) categories (Figure 8.8).

The Positional Analysis Questionnaire and Management Position Description Questionnaire yield standardised information about the worker.

Functional Job Analysis *Functional job analysis* is a worker-oriented job analysis approach which attempts to describe the whole person on the job. This analysis helps to differentiate what is being done and what an employee must do to get things done. The employees utilise interpersonal skills, mental and physical resources and correlate the same to accomplish the task. The levels of difficulty in performing the

Categories	Elements
1	Product, marketing and financial strategy planning
2	Co-ordination of other organisational units and personnel
3	Internal business control
4	Products and services responsibility
5	Public and customer relations
6	Advanced consulting
7	Autonomy of actions
8	Approval and financial commitments
9	Staff services
10	Supervision
11	Complexity and stress
12	Advanced financial responsibility
13	Broad personnel responsibility

Source: Lloyd L. Byars and Leasile W. Rue. (1997). *Human Resource Management*, Irwin

Figure 8.8 *Categories of Management Position Description Questionnaire*

tasks are hierarchical and can be represented on an ordinal scale. Figure 8.9 defines the levels of difficulty for various jobs with regard to data, people and things. The lower the number associated with the function, the more difficult the function is. For example, compiling of data (3) is more difficult than tending things (5), and tending things (5) is more difficult than handling people (7).

Data	People	Things
0- Synthesizing	0- Mentoring	0- Setting up
1- Coordinating	1- Negotiating	1- Precision working
2- Analysing	2- Instructing	2- Operating-controlling
3- Compiling	3- Supervising	3- Driving-operating
4- Computing	4- Diverting	4- Manipulating
5- Copying	5- Persuading	5- Tending
6- Comparing	6- Speaking-signaling	6- Feeding- off bearing
7- Serving	7- Handling	
	8- Taking instructions and helping	

Source: Lloyd L Byars and Leslie W. Rue (1997), p. 93.

Figure 8.9 *Levels of Difficulty for Worker Functions in Functional Job Analysis*

This method has two advantages. It rates the job not only on data, people and things, but on four other factors. The factors on which rating is done are:

- The extent to which specific instructions are required to perform the job
- The extent to which reasoning and judgement are required to perform the task
- The mathematical ability required to perform the task
- Provides standard vocabulary for describing jobs.

This data can then be compared with the job elements reported in the Dictionary of Occupational Titles, which is a standardised data-source describing a wide range of jobs. Once the closest job on the Dictionary of Occupational Titles has been located, the accompanying job description can be modified to fit the specific job being analysed. Functional job analysis is easy to learn as it uses a standardised format.

Diary or Log of Job Incumbent

This method involves recording of job duties by the job incumbent, noting the frequency of a task performed after the duties have been accomplished. The diaries can be a good source of information if these have been kept up to date. They can be used as a source of comparison in carrying out duties. By careful analysis of the diaries, the analyst is able to determine the routineness and non-routineness of a particular function. It facilitated analysis of jobs which are difficult to observe.

Critical Incident Technique This method was evolved by Flanagan in 1949. It identifies behaviours that indicate success or failure on the job (i.e., effective and ineffective behaviours are determined). The incidents are analysed and classified according to the job areas these describe. The critical incidents include context in which the incident occurred, behaviour, exactly what the individual did that was effective or/ineffective, and the consequences of the behaviour, and whether or/not the consequences were in employee's control. This method helps the analyst to generate two lists of incidents, one which indicates good performance and the other which indicates poor performance. Critical incident approach is important to map the entire role set for the job in question by interviewing the various people involved (Flanagan, 1954).

Repertory Grid The *Repertory Grid* is an interview method that compares well with Critical Incident Techniques. In this method too, effort is made to gain specific examples that indicate successful or less successful performance. Interview is then taken about typical examples from work concerning each human characteristic, and then these human characteristics are related to work behaviour.

Checklist Method

The checklist method is similar to the questionnaire method. In this method, the respondents usually answer in yes or no. The checklist may contain a variety of activities but the incumbent or the respondent only ticks the function performed by him. However, the preparation of checklist is a daunting task. It requires knowledge and skill of the job under consideration. This can be accomplished by gaining information, first from job performer and then, after the check list has been prepared, by circulating to good workers to check. The major advantage of this technique is that a large number of personnel can give their opinion at the same time.

Threshold Test Analysis The Threshold Test Analysis, developed by Lopez (1986), measures the relative importance of 33 different characteristics. The choice of 33 characteristics is based on various findings of literature and not by empirical research (Lopez, 1988). The characteristics are divided across five main areas, viz., (a) physical, (b) mental, (c) learned, (d) motivational; and (e) social.

For each characteristics short work oriented definitions have been constructed. The Threshold Test Analysis is achieved by making use of interview.

Technical Conference Method

In this, the services of talented people and supervisors are utilised. They are called for a conference and the analyst initiates the discussion which provides details about the jobs. The actions are discussed and report prepared. It may not be very accurate as the main person who actually carries out the function may not be present or some details may be missed out.

Once the information has been collected and analysed it is used to prepare job descriptions and job specifications. Any of the techniques could be used by the analyst. However, job analyst normally uses a more widely used technique that incorporates various features of these general techniques.

PROBLEMS/DIFFICULTIES IN JOB ANALYSIS

There exist some major problems while carrying out job analysis:

- (a) **Support of management:** The management normally does not get involved and hence the quality of information gathered suffers, as the desired support from the organisation is not forthcoming.
- (b) **Means and Sources:** The quality of analysis depends upon the tools used in preparing the job analysis. However, the analyst normally employs the easiest and the simplest tool and compiles the data. Thus, the quality of analysis suffers.
- (c) **Training and Motivation:** Job analysis helps in identifying the skill gaps and facilitates in developing training and development programmes to fill the skill gaps. However, trained people are not available to carry out job analysis.
- (d) **Industrial Relations:** The Trade Union does not usually support job analysis as it feels it is a ploy to extract more work.

JOB ANALYSIS: RECENT DEVELOPMENTS

The use of technology is changing the nature and execution of many areas of human resource practice (For example, online assessments; Bartram, 2004). In an effort to streamline and make the process of competency modeling/job-analysis more efficient, Mason and Lin (2008) advocate the use of online data warehouses of competency models, web based focus groups, and use of online surveys to gather data from subject matter experts (SMEs) and incumbents. Others have utilised an online database of job information, called the *Occupational Information Network* (O*NET), for the purpose of gathering position requirements and determining common tasks (For example, McEntire, Dailey, Osburn, & Mumford, 2006; Reiter-Palmon, Brown, Sandall, Buboltz, & Nimps, 2006).

Electronic Process Monitoring as Part of Job Analysis

The introduction of computers and other technology based information networks into the workplace have clearly revolutionised planning, production, and distribution. This technology has also enabled monitoring work processes, both actively and passively. Large number of electronic performance monitoring equipment lend themselves to producing job analysis information without any input at all from special monitoring equipments.

Role Analysis

Job analysis is based on a premise that 'jobs in an organisation are relatively static and it is possible to predict critical job related behaviour which makes an employee perform effectively'. There are many intangibles that play a role in successful accomplishment of a job. Hence, there are many situations under which it is not possible to predict job related behaviour, or the behaviour may not be consistent. The behaviour changes with the situation and the environment under which the employee operates. Role analysis is helpful in writing the duties and responsibilities of managers which involve many intangibles. It helps in determining the behaviour pattern expected from an individual occupying that position, as also work out interpersonal problems effectively. Role analysis is carried out in two steps:

- (a) The manager describes the job consisting of both tangible and intangible contents. He also describes the prescribed and the discriminatory elements. This is followed by the manager being questioned by others (superiors or managers performing the same role) to seek clarification and fill in the gaps that may be evident.
- (b) Thereafter, a list of expectations from the role is prepared through discussion and mutual agreement. The analyst then writes the details of the role. He includes all aspects of the job, both tangible and intangible.

Cognitive Work Analysis

Cognitive Work Analysis (Vicente, 1999) is a work centered conceptual framework developed by Rasmussen, Pejtersen & Goldstein (1994) to analyse cognitive work. The purpose of this analysis is to guide the design of technology for use in the workplace. By this method, it is possible to analyse real life phenomenon while retaining the complexity inherent in them. Cognitive Work Analysis considers people who interact with information, 'actors' in their work related actions, rather than 'users' of systems. It views human information interaction in the context of human work activities. It assumes that in order to be able to design systems that work harmoniously with humans, one has to understand:

Cognitive Work Analysis

Traditional approaches tend to emphasise centralised work organisation; whereas turbulent, dynamic environments tend to require more distributed work organisations. Cognitive Engineering Laboratory has adopted Rasmussen's (1986) framework for cognitive work analysis as a basis for supporting worker adaptation. The focus of cognitive work analysis is on identifying the constraints that shape behaviour rather than trying to predict behaviour itself. Rasmussen's framework provides separate descriptions of different classes of constraints.

Work Domain: It is the functional structure of work domain in which behaviour takes place.

Control Tasks: These are generic tasks that are to be accomplished.

Strategies: The set of strategies that can be used to carry out these tasks.

Social Organisation: The structure of the organisation.

Worker Competencies: The competencies required by operators to deal with these demands.

Cognitive work analysis can be viewed as a complement to traditional task analysis in that it not only retains the benefits of these methods but also adds the capability for designing for unanticipated by describing the constraints on behaviour rather than behaviour *per se*.

Cognitive work analysis has been used extensively by Cognitive Engineering Laboratory to design interfaces, experiments and training, as well as to analyse data and categorise performance measures and knowledge elicitation techniques. It has proven to be an invaluable research and design tool.

- The work the actors do
- Their information behaviour
- The context in which they work
- The reasons for their actions

Goldstein and Ford (2002, p. 96) made the following distinction:

'Rather than looking at tasks and KSAOs as separate entities, a cognitive task analysis approach attempts to link tasks and KSAOs based on the flow from the goals of the people completing a task to the various actions a person might take in performing the task. Examination of the differences between experts and novices in terms of goals and actions can help identify areas for training and development to transform novices toward expertise.'

The Cognitive Work Analysis focuses simultaneously on the task actors perform, the environment in which it is carried out, and the perceptual, cognitive and ergonomics attributes of the people who do the job. A graphic presentation of the framework is given in Figure 8.10. In this, each set of attributes is represented by a circle and is considered a dimension for analysis. Cognitive Work Analysis provides large number of templates for both analysis and modeling.

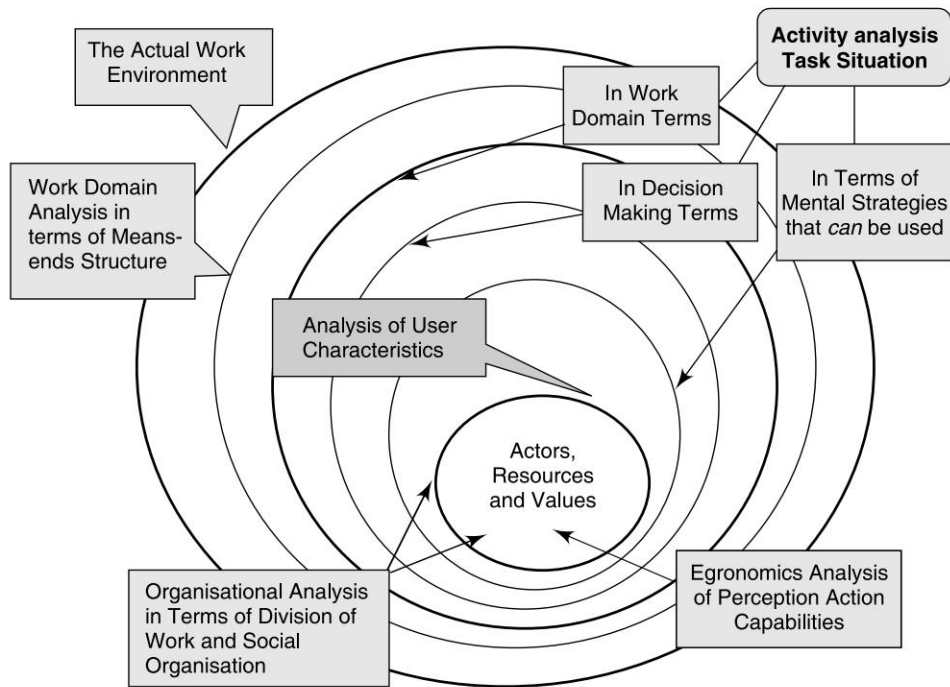


Figure 8.10 *The Dimensions for Analysis in Cognitive Work Analysis*

Competency Modeling

Improve performance, manage organisational transformation, and accelerate employee development are key to an organisation's ability to stay competitive in the constantly changing business environment. Competency modeling can be carried out using different approaches, but the most common are the *individual job level* and the *organisation level* (Mansfield, 1996). The former deals with identifying the characteristics [(i.e., knowledge, skills, abilities and other individual characteristics (often referred to as KSAOs))] that are necessary to be successful in a particular job (often referred to as a bottom-up competency model, and is quite similar to job analysis), whereas the latter takes into account organisational objectives, vision, and strategy, and attempts to develop a set of competencies that are applied to the entire organisation, a department within the organisation, or a job family within the organisation (Lawler, 1994; Prahalad & Hamel, 1990).

Tidbits**Competencies and Competency Modeling**

Competencies: Although the definition appears to vary widely (Schippmann, et al., 2000), competencies are typically defined as a combination of knowledge, skills, abilities and other individual characteristics (including, but not limited to, motives, personality traits, self-concepts, attitudes, beliefs, values, and interests) that can be reliably measured and that can be shown to differentiate performance (Mirabile, 1997; Schippmann, et al., 2000; Spencer, McClelland, & Spencer, 1994).

Competency Modeling: Competency modeling is typically defined as the identification, definition, and measurement of the KSAOs that are needed to perform successfully on the job (Bartram, 2004; Schippmann, et al., 2000).

Personality Based Job Analysis

The use of personality as a predictor in selection is becoming more and more common in today's organisations (Cascio & Aguinis, 2003). There have been several efforts to identify personality requirements for jobs, with examples including the *NEO Job Profiler* (Costa, McCrae, & Kay, 1995), and the *Personality Related Position Requirements Form* (PPRF) (Raymark, Schmit, & Guion, 1997). Both approaches attempt to identify relevant personality dimensions for a particular job.

The 'Big Five' factors emerge from lexical analyses of trait descriptions evaluating others' performance. The five dimensions, as they apply to worker performance, are:

1. *Emotional Stability* = nervous and moody — calm and assured
2. *Extraversion/Surgency* = quiet and unassertive — active and outgoing
3. *Conscientiousness* = impulsive and careless — responsible and conforming
4. *Agreeableness* = hard-nosed and tough — tactful and sensitive
5. *Intellect/Openness* = narrow and unimaginative — curious and imaginative

It is suggested that a personality based job analysis minimally ought to assess five dimensions because they are the core of an adequate description of the worker's reputation.

Strategic Job Analysis

Strategic job analysis involves attempting to identify the relevant tasks, behaviours, and KSAOs for a job as they are predicted to be in the future (Schneider & Konz, 1989). This approach represents a change from descriptive job analysis (with focus on describing the job as it currently exists) to predictive job analysis (which focuses on how the job is expected to be in the future). The need for strategic job analysis is becoming more apparent because of the dynamic nature of modern-day organisations (with greater reliance on rapidly changing project teams), and as organisations try to hire, train, and appraise the performance of new positions (Sackett & Laczko, 2003; Sanchez & Levine, 2001). It has been found that strategic job analysis may be able to successfully identify future skill requirements (Arvey, Salas, & Gialluca, 1992; Bruskiewicz & Bosshardt, 1996).

JOB DESCRIPTIONS

A *job description* is a written statement of the duties, responsibilities, required qualifications and reporting relationships of a particular job. Job description is based on objective information obtained through job analysis. It, being a factual statement, discloses *what*, *how* and *why* of a job.

It clearly spells out the responsibilities of a specific job. It also includes information about the tools, resources, relationships with other positions and skills needed for accomplishment of the job. It also helps in clarifying all legal bases. It ensures that candidates are fully conversant and aware of what an organisation is looking for in them. It also helps the present incumbents to understand the extent and limits of new incumbent's responsibilities.

The major contents of a job description include:

- (a) Job title
- (b) Location
- (c) Job summary
- (d) Duties to be performed
- (e) Machines, tools and materials
- (f) Relation to other jobs
- (g) Nature of supervision
- (h) Working environment

Figure 8.11 gives an example of job description.

Job Title: Benefits Manager

Reports to:

Functionally - Director, Human Resource

Administratively- Vice President, Operations

Supervises – Staff of four

Environmental Conditions – Not Applicable

Objectives of the Job – Maintain best staff at all times.

Functions – Manage the employee compensation and benefits.

Principal Duties and Responsibilities:

- Plan and direct compensation programme.
- Plan and distribute written statements about benefits programmes.

Job Characteristics:

- (a) Incumbent should have sufficient knowledge of policies and practices involved in human resource management.
- (b) Excellent written and verbal communication.

Authority Limits: xxxxxxxx.

Occupational Code: 166.167.019

Job No. 1100

Figure 8.11 *Example of Job Description*

Preparation of Job Description

Job descriptions provide the data about the job itself in terms of duties and responsibilities. Detailed information has to be collected before the document can be prepared. The information can be collected by one of the many methods available. They are:

- (a) Observation
- (b) Discussion with supervisors
- (c) Questionnaire
- (d) Technical conference

All these methods have been elaborated above. The undermentioned guidelines should be observed while preparing a job description.

- (a) **Clarity:** Job descriptions should be clear and have no reference to any other job descriptions.
- (b) **Scope of Authority:** When the position is being defined, the scope of authority should be indicated. Sometimes it is essential to add some additional duties to give it a wider perspective.

- (c) **Specific:** Although details are required in job descriptions but these should be inserted with specific words, known as 'action words', such as assemble, deliver, gather, etc.
- (d) **Brevity:** Brevity is the essence of job descriptions. Use of short accurate terms help in accomplishing brevity.
- (e) **Re-check:** Once the job description has been compiled, it is essential that it be observed and looked into from a newcomer's perspective. Help of an employee can be taken to check its accuracy and validity.

Responsibility for Preparation and Validity: The responsibility and accountability for preparation of job description is of both the line manager, where the position is located, and the human resource manager. The validity of the job description is dependent upon how accurately it reflects job content. The validity becomes clear when it is used for employment and evaluation purposes. Job description also has an impact on compensation. A poorly prepared job description may result in good job getting poor compensation.

JOB SPECIFICATION

A *job specification* is a document that states the minimum acceptable qualifications and human qualities required by an individual to perform the task efficiently. It identifies the qualifications, appropriate skills, knowledge, abilities, experience and personality qualities required to perform the job. Job specification translates job description into human qualifications and levels of performance required for successful performance on the job at a particular position. As far as possible, the specification should be quantified.

Tidbits

Job Specification

A job specification is a document which states the minimum acceptable qualifications and human qualities required by an individual to perform the task efficiently.

Job specification lately is not very popular as the firms have experienced that it is very difficult to present an accurate standard of personnel. Instead, these firms deliver job descriptions. This enables the recruiters to have a wide variety of persons to select from as job description gives the aspects of performance and not the qualities. Job specification is the measuring tool for measuring personnel as it lists qualities required for successful performance of job.

Job specification provides two distinct advantages over job description as it includes:

- (a) Job identification
- (b) Human requirements

The major information included in job specification are:

- (a) Physical specification
- (b) Mental specification
- (c) Emotional and social specification
- (d) Behavioural specification

Preparation and Accountability of Job Specification

Job specification should define the minimum acceptable standards for employment and performance on the job. Exceptional functions, which are of non-routine nature, should not be allowed to influence the overall job description. Job specifications are developed with help of supervisors by human resource department personnel. It is the responsibility of the personnel manager to ensure the correctness, accuracy and validity of the job specification although he takes the help of supervisors who have greater knowledge of the process of the job.

Position Title:	Manager Human Relations (Wage administration)
Department:	Human resources
Education:	MBA with specialisation in Human Resources/Social work A degree or diploma in labour law desirable. Proficiency in accounting preferred.
Experience:	5 years in similar position.
Age:	Between 30-40 years.
Other Attributes:	Good health, Pleasing personality, etc.
Any other requirements:	xxx

Figure 8.12 *Specimen Job Specification*

JOB DESIGN

Job design has lately emerged as an important tool of work analysis. It has direct impact on turnover, motivation, levels of job satisfaction and industrial relations. Many of the negative consequences of the workplace can be avoided if job designing is accomplished with care so that both the employee's and the organisation's objectives are fulfilled.

Job design is the structuring of jobs to improve efficiency of the business and improve employee satisfaction. Uninteresting and boring jobs would create problems.

What is Job Design?

Job design is the way the tasks are combined to form a complete job. It specifies the tasks that make up the job. Job design involves determining:

- (a) What is to be done (i.e., responses)?
- (b) How it is to be done (i.e., tools, etc.)?
- (c) Why it is to be done (i.e., purpose)?

Definition

'Job design is the process of linking specific tasks to specific jobs and deciding what techniques, equipment, and procedures should be used to perform those tasks.'

Robbins and Stuart-Kotze have defined :

'Job design refers to the way tasks are combined to form complete jobs.'

Characteristics of Job Design

Jobs where employees experience a high level of satisfaction generally have the following characteristics:

- (a) **Task variety:** The ability to vary the tasks performed. This ability provides a change in mental activity as well as physical well being through movement and changes in body posture. Variety involves a different process than challenge in the task.

- (b) **Task identity:** Where possible, the tasks should fit together to make a complete job. This provides the employee a sense of satisfaction in seeing that the job has been done by him from beginning to the end.
- (c) **Task significance:** Employees want to have a sense of achievement. It is important for them to be recognized, and to know that they have contributed towards accomplishment of organisational goals.
- (d) **Autonomy:** The employees should be provided with inputs as to how their jobs are done. They should be involved in decision making process especially where it affects their performance.
- (e) **Feedback:** The supervisor should provide constructive feedback regarding employee's performance.

Principles of Job Design

It is rarely possible for jobs to be designed to incorporate all the characteristics listed. Ideally, however, the job should:

- (a) Form a coherent whole, either independently or with other related jobs. Performance on the job should make a significant contribution to the completion of the product or service, a contribution that is visible to the job holder.
- (b) Provide some variety of pace, method, location and skill.
- (c) Provide feedback of performance, both directly and through other people.
- (d) Allow some discretion and control in timing, sequence and pace of work.
- (e) Include some responsibility of outcome.
- (f) Be seen as leading towards some sort of desirable future.
- (g) Provide opportunity for development in the ways that the individual finds relevant.

How to Design a Job?

Job design determines the manner in which the set of tasks or an entire position is organised. It helps to determine:

- (a) What tasks are to be done?
- (b) When and how the tasks have to be done?
- (c) How many tasks have to be done?
- (d) In what order the tasks have to be done?
- (e) Factors that affect the performance at the job.
- (f) Organisation and the content of the task.

A good job design incorporates the relationship with organisational goals and human efficiency and comfort. Job design should:

- (a) Allow for employee inputs
- (b) Give employees a sense of accomplishment
- (c) Include training and development requirements
- (d) Provide good work and rest schedules
- (e) Provide feedback

Process of Job Designing

Jobs should not be designed in isolation from other jobs within the work area. The organisation structures and objectives of the work area should be taken into account while preparing the job design.

The first step in job design is data gathering. In this stage, the analyst ask the undermentioned questions:

- (a) What are the future directions and objectives of the organisation?
- (b) What are the tasks to be performed?
- (c) Why these tasks need to be done?
- (d) How will these be done?
- (e) How will these jobs impact other positions in the area?
- (f) Where will the work be performed?
- (g) Who will the position report to?

APPROACHES TO JOB DESIGNING

There are various approaches to job designing. In today's context, job designing assumes greater significance for human resource managers. Job design assists in reduction of stress, enhances motivation and provides greater satisfaction to employees. This facilitates improvement of performance of employees enabling organisations to effectively compete in the global market. (See Figure 8.13).

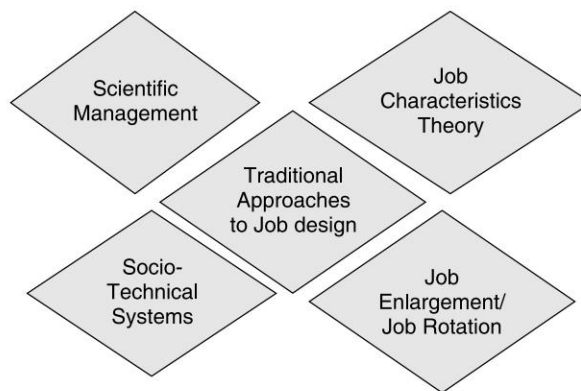


Figure 8.13 *Approaches to Job Designing*

Work Flexibility

In recent years, there has been expansion of business, globalisation, and thereby increase in work force. The trend today is the working class is not looking for a lifelong career with the same company. Hence, the employer has to consider the behavioural changes in the work force. The trend is to design jobs in a manner in that employees have flexible working hours, job sharing, working at home, work module, etc.

TECHNIQUES OF JOB DESIGN

The techniques for job design and redesign include work simplification, job rotation, job enlargement and job enrichment, as shown in Figure 8.14.

Job Simplification

In *job simplification*, the complete job is broken down into small subparts, usually consisting of few operations. This is done so that employees can do these jobs without much specialised training. Many small jobs can also be performed simultaneously so that the complete operation can be done more speedily.

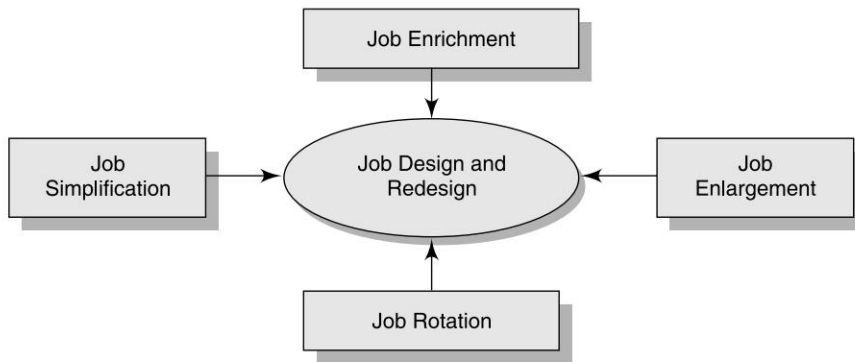


Figure 8.14 *Techniques of Job Design*

Job Rotation

Job rotation is an alternative to boredom at workplace. It involves internal mobility, i.e., shifting people from one position to another within a working group, or an organisation, so that there is some relief and variety without fundamentally changing the nature of the job. The broad objectives of job rotation are reduced boredom, broadening of employees' skills and knowledge, and making them more competent. Although there are significant advantages, job rotation also suffers from few drawbacks. Frequent shifting of people from one job to another causes interruptions and drop in productivity and alienation in a new job. Herzberg has characterised this approach as merely substituting 'one zero for another zero.'

Job Enlargement

Job enlargement involves adding more tasks to a job. It is a horizontal expansion and increases job scope, gives variety of tasks to the job holders, lengthens the work cycle time, provides wholeness and identity with the task and increases the knowledge necessary to perform it. Job enlargement is essentially adding more tasks to a single job. It definitely reduced boredom at job but there is no evidence that it helps in motivating the individual in the desired direction.

Job Enrichment

Job enrichment was first coined by Herzberg. It implies increasing the contents of a job or the deliberate upgrading of responsibility, scope and challenge in work. '*Job enrichment is a motivational technique which emphasises the need for challenging and interesting work*' (Herzberg, 1966). It simply implies adding few more motivators to a job to make it more rewarding and challenging, and offer autonomy and pride to the employee (Beatty and Schneider, 1975). Job enrichment increases job depth that refers to the degree of control employees have over their work. Jobs can be enriched (Figure 8.15) by:

- (a) Providing autonomy and freedom to employees in deciding about work methods, pace, etc.
- (b) Increasing responsibility and accountability
- (c) Checking own performance related to quality
- (d) Providing feedback to employees
- (e) Training, guiding and encouraging new learning amongst employees
- (f) Giving authority to communicate directly with people who use his or her output.

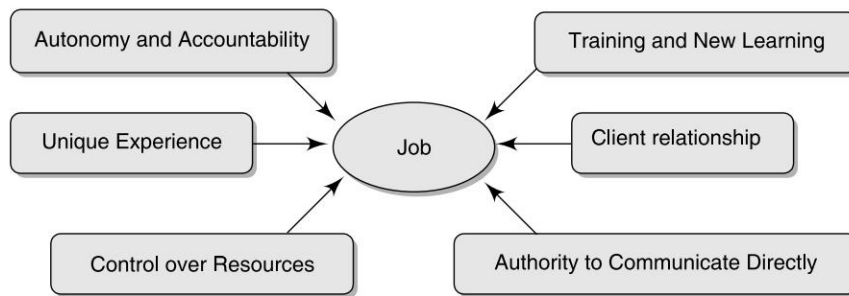


Figure 8.15 *Techniques for Job Enrichment*

Like other techniques, job enrichment has both advantages and disadvantages. On the advantages side, it may be stated that job enrichment benefits employees and organisations by making work more interesting, helps in motivating and enhancing performance, knowledge, skills and abilities on the limitations side, it may be noted that technological changes and development do not permit enrichment of all jobs. It has also been observed that job enrichment cannot replace good management. Also, any changes in the process or work profile is always met by resistance from employees.

JOB ANALYSIS IN A 'JOBLESS' WORLD

Job is generally defined as 'a set of closely related activities carried out for pay.' But, over the last few years, concept of a job has been changing quite dramatically. As one observer put it:

'The modern world is on the verge of another huge leap in creativity and productivity, but the job is not going to be part of tomorrow's economic reality. There still is and will always be enormous amounts of work to do, but it is not going to be contained in the familiar envelope we call jobs. In fact, many organisations, today are, well along the path toward being 'de-jobbed' (William Bridges, 1998).

De-jobbing: It is a global phenomenon. It involves broadening the responsibilities of the company's jobs and encouraging employees not to limit themselves to what's on their job descriptions. The organisations today have to accept the rapid changes in technology, products, deregulation, global competition, political instability, demographic changes and a shift to service economy. This calls for firms to be flexible, responsive and more competitive. This has led to jobs that are not very clearly defined and delineated.

Flatter organisations: Instead of traditional, pyramid shaped structure, organisations are getting flatter with few hierarchical layers. Because of flatter organisations, the managers end up supervising larger number of subordinates. This has led to less direct supervision and enhanced responsibilities and breadth of work for subordinates.

Work Teams: Managers are today resorting to organising work around teams and processes rather than around specialised functions. In such organisations, the responsibilities and work change daily and the workers stop viewing their work in narrow set of responsibilities.

Boundaryless Organisations: In a boundaryless organisation, the widespread use of teams and cross functional task forces reduces and makes more permeable boundaries that typically separate departments and hierarchical levels (Larry Hirschhorn and Thomas Gilmore, 1992).

EXERCISE

REVIEW QUESTIONS

1. What do you understand by job analysis? What is its importance in management of human resources?
2. Define job analysis. Discuss the importance of job analysis in recent times, its uses and applications.
3. Describe in brief the necessity of work analysis and design in an organisation.
4. Do you think work analysis and design would lead to the present job match? Justify.
5. Define work measurement and discuss in brief the techniques of work measurement.
6. Define the concept of job analysis and also job analysis contents.
7. Why is job analysis important?
8. Discuss the different methods of job analysis.
9. Briefly explain the questionnaire method.
10. What is job description? How is it prepared? Explain with the help of a specimen.
11. What is meant by job design? Discuss the various approaches to job design?
12. What is meant by job enlargement? How is it different from job enrichment?
13. Define work measurement and discuss it in brief.
14. Write short notes on the following:
 - (i) Job rotation
 - (ii) Work participation method
 - (iii) Diary method
 - (iv) Group interview

FILL IN THE BLANKS

1. Proper and specific _____ and definitions is the key to communicating the organizational expectation.
2. Managers are today resorting to organizing work around _____ and _____ rather than around specialized functions.
3. _____ is a motivational technique which emphasizes the need for challenging and interesting work.
4. The _____ of the job description is dependent upon how accurately it reflects job contents.
5. _____ is a systematic exposition of activities within a job.
6. A _____ is a written statement of the duties, responsibilities, required qualifications and reporting relationships of a particular job.
7. The _____ should define the minimum acceptable standards for employment and performance on the job.
8. Job analysis includes job description and job _____.
9. Job title, duties, machines, tools and equipment, working conditions and hazards come under _____.
10. The capabilities that the job holder should possess for doing a particular job from part of _____.
11. Job description includes _____.

PROJECT WORK

Prepare a brief report of emerging trends of work analysis in present Indian context. Based on the field work, suggest for better implementation of results of work analysis.

ANSWERS TO FILL IN THE BLANKS

- 1. Job description.
- 2. Teams and processes.
- 3. Job enrichment.
- 4. Validity.
- 5. Job analysis
- 6. Job description.
- 7. Job specification
- 8. Job specifications
- 9. Job description
- 10. Job specification
- 11. Job title

Chapter 9

Recruitment and Selection: Reliability and Validity of Recruitment Tests

LEARNING OBJECTIVES

After reading this chapter, you will be able to understand

- Recruitment
- Nature and purpose
- Sources of recruitment
- Recruitment procedure
- The Realistic job preview
- Selection
- Steps in selection process
- Selection tests
- Types of tests
- Development of tests
- Interview
- Group discussions

INTRODUCTION

Having determined the number and the kind of person required to fill the position, the company starts the process to attract a suitable candidate and fill the position. *Recruitment* involves identification of sources from where employees can be recruited and finding candidates with suitable knowledge, skills and abilities for employment. Recruitment forms the first stage in the process, which continues with selection and ends with placement. Recruitment makes it possible to acquire the number and type of people required to ensure continued operation of the organisation.

PURPOSE OF RECRUITMENT

The main purpose of recruitment is to provide equitable and effective means for bringing competent employees into the company. To effectively accomplish this, the organisation undertakes:

- (a) Announcement of vacancies so that all who are interested make an application
- (b) Creation of tests and testing procedures in order to determine the ability of applicants to perform the work in a satisfactory manner
- (c) Certification of qualified applicants to fill vacancies

NATURE AND OBJECTIVES OF RECRUITMENT

Meaning and Definition

The process of identification and procuring of applicants for actual or anticipated vacancies in an organisation is *recruitment*. It is the process of searching the candidates for employment and stimulating them to apply for jobs in the organisation (Edwin B. Flippo, 1984). In the words of Yoder et.al. (1972), 'Recruitment is a process to discover the source of manpower to meet the requirements of the staffing schedule, and to employ effective measures for attracting that manpower in adequate numbers to facilitate effective selection of an efficient working force.'

Werther and Davis (1993) define recruitment as, 'It is the process of finding and attracting capable applicants for employment. The process begins when new recruits are sought and ends when their applications are submitted. The result is a pool of applicants from which new employees are selected.'

Recruitment, thus, is an attempt to draw attention of applicants in the market, get interested applicants and generate a pool of prospective employees so that the management can select the right person for the right job. Recruitment precedes the selection process. Its needs are of three types—planned, anticipated and unexpected. Planned need arises from changes in the organisation and retirement policy, etc. Anticipated needs are determined by study of a pattern of persons falling sick, resignations etc. and unexpected needs are caused due to injuries, resignations or departure of an employee, accidents or even unexpected death.

Challenges for Recruitment

Recruitment of best talent is a challenge. All organisations, large or small, have to engage in recruitment. Some organisations continuously indulge in recruitment while others do it infrequently. It has been observed that firms having a large workforce tend to recruit continuously. This practice is more prevalent in multinational corporations and service organisations.

The first major constraint is of attracting sufficient applicants for the job. It is a known fact that candidates are attracted to a reputed organisation. This is especially so with college leaving students. In India, there was a tendency for lifelong careers as there was large supply of manpower compared to demand, and potential candidates were more interested in securing jobs in government or public sector undertakings. The main reason was lack of enthusiasm among the people to seek employment with companies with perceived low reputation due to prevalent organisational culture, location of the firm, inadequate working conditions, etc.

Objective or Purpose of Recruitment

The main purpose or objective of any recruitment is to:

- (a) Determine the present and future requirements
- (b) Attract a sufficient number of applicants to allow an optimal selection ratio
- (c) Aid in meeting organisational goals by ensuring requisite number of employees with knowledge, skills and abilities are available
- (d) Increase the pool of job candidates at minimum cost
- (e) Help increase the success rate of the selection process
- (f) Help reduce the probability of selected candidate leaving
- (g) Meet the organisation's legal and social obligations
- (h) Increase organisational and individual effectiveness
- (i) Evaluate the effectiveness of various recruiting techniques
- (j) Maintain goodwill and positive image of the company in the market

The second constraint for drawing candidates is the organisational policies of the company. Corporate employees are no longer considering just remuneration at work as the sole criterion for taking up new jobs or continuing in their present assignments. An individual seeks two things, growth and working environment, in an organisation. Corporate culture is a key factor in attracting employees.

The third challenge to an organisation is to weigh the pros and cons of internal and external recruiting. Needless to say that both sources have advantages and disadvantages. Internal recruiting helps in motivation, while external motivation brings in new skills and processes.

The recruiter also has to distinguish among the major selection methods and use the most legally defensible of them. He should clearly understand the legal constraints of the hiring process. The recruitment process should abide by the law of the land.

In modern market conditions, due to globalisation, cost cutting, efficiency and knowledge based work, there are reasonable job expectations. The modern worker looks for quality of life and a reasonable remuneration. His loyalty is fickle and would shift, and hence there should be reasonable package to attract the talent. Compensation and benefit package offered by an organisation should be able to attract the potential employee and then retain him.

It is also important to know that the recruitment process is an expensive proposition. Hence, the firm may like to employ methods to cut costs in the recruiting process.

Keeping the above challenges and constraints in view, it is imperative for an organisation to have an elaborate policy framed. Such a policy always enables the firm to assert its objectives for recruitment and provides a framework of procedures for implementation of the recruitment programme in the form of procedures. Yoder (1972) has listed some of the features for framing the recruitment policy:

- (a) Carefully observing the letter and spirit of the relevant public policy on hiring and on the whole employment relationship
- (b) Providing individual employee with maximum job security
- (c) Providing each employee an opportunity to grow and develop his/her skills and talents
- (d) Assuring each employee of the organisations interest in his/her personal goals and employment objectives
- (e) Assuring all about fairness in all relationships, including promotions and transfers

Challenges for recruitment have been listed in Figure 9.1.

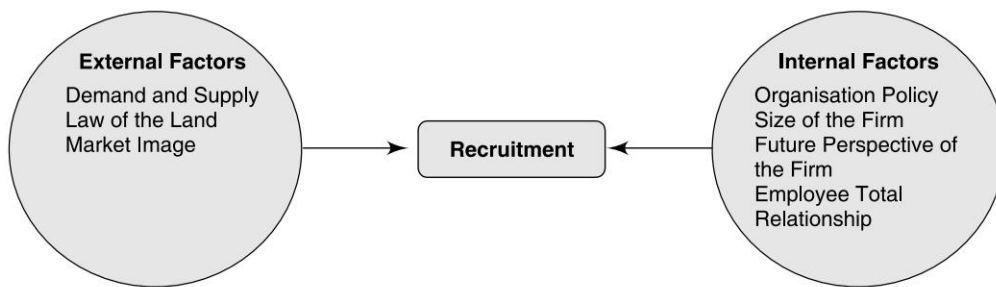


Figure 9.1 *Challenges for Recruitment*

SOURCES OF RECRUITMENT

The sources of recruitment may be many but, for ease, can be grouped into two:

- (a) *Internal sources*, including employee referrals
- (b) *External Sources*

Internal Sources

Internal recruitment seeks candidates from among the ranks of those currently employed. Organisations attempt to develop their own employees for higher positions. There are two important internal sources of recruitment, namely, transfer and promotion. *Transfer* involves movement of an employee from one position to another in the organisation without substantial change in job content. *Promotion*, on the other hand, involves movement to a position with larger span of control, pay, status and responsibilities. Jack Stack (1998) has listed the advantages of internal recruitment:

- (a) Leads to good public relations
- (b) Builds employees' morale and helps in productivity
- (c) Helps talented and good employees to rise up the hierarchy
- (d) Helps in making positive decisions on selection as greater information is available
- (e) Involves less cost
- (f) Easy for the employee selected to adjust as he is fully conversant with the ethos, organisational culture and values

As in all methodologies, internal recruitment also suffers from certain demerits:

- (a) Limits induction of fresh talent, and, in turn, fresh ideas and processes are inhibited
- (b) The employees tend to take things for granted and become lethargic as they are confident of being picked up for promotion when vacancies occur
- (c) Limits growth of talented employees as competition is hampered or is not encouraged
- (d) The existing employees do not act as change masters in spite of the fact that change is a necessity
- (f) Limits creativity, and the environment does not foster conditions for it

In high performance work systems, companies practicing internal recruitment are more likely to be successful than companies that rely on external recruitment. Bank of America has a policy in which newly hired employees are briefed of the career progression with typical timetable for progression within the organisation for their best employees.

In companies with a clear plan for internal recruitment, deliberate succession planning is carried out. In some companies, especially small, there may not be succession planning in case 'job posting' is carried out. *Job posting* is a process where announcement of positions available/vacancies anticipated are posted

on a board or circulated through a newsletter, intranet, etc. All employees are then free to apply for the vacancy.

External Recruitment Process

External source of recruitment is a larger process of recruitment than internal replacements. Vacancies are created as employees are always leaving the organisation, retiring, dying in saddle, etc. Hence, there would always be need for new people that have to be enrolled or brought into the organisation. There is evidence that external sources of recruitment bring new processes and ideas into the organisation.

External recruitment is a process that recruits from outside the organisation. The major methods of external recruitment are given in succeeding paragraphs.

1. **Direct Recruitment, Walk In/Write In:** Direct recruitment is an important method and source of recruitment. Vacancies are advertised and recruitment done at the factory gate. This practice is generally followed for vacancies requiring low skills, or for unskilled workers.
2. **Casual Callers or Unsolicited Applications:** The organisations which have a reputation in the market and are considered good employers attract a steady flow of unsolicited applicants. This serves as a valuable source of manpower. The major advantage of this source is that it limits the expenditure towards cost of recruitment.
3. **Advertisement in Media other than Telecasting:** Advertisements in newspapers, trade and professional journals are generally used to attract potential skilled employees or an employees with special abilities. The higher the position in the organisation and more specialised the skills sought, the more widely dispersed the advertisement is likely to be. A good advertisement would visualize the type of applicant one is trying to recruit and the advantages and benefits an employee is likely accrue. An advertisements, including those over the internet, should include the under mentioned:
 - (a) Job content
 - (b) Realistic description of working conditions
 - (c) Location of the job
 - (d) Compensation, including benefits
 - (e) Skills and abilities required
 - (f) To whom should the application be submitted
4. **Telecasting:** Lately, there has been boom in telecasting, extending its reach and coverage. The increase in the number of channels has resulted in competition. Telecasting is an important medium for attracting attention of the viewers. It can give visual display of the conditions prevalent. However, it is not very popular with companies for recruiting purposes due to its high cost, advertisement may be missed out by candidates, etc.
5. **Employment Agencies and Head Hunters:** Government run employment exchanges are a source of recruitment. In some cases, government has made it mandatory for notification of vacancies to the employment exchange. Today, there are large number of agencies in private sector that specialise in placement services. These agencies charge either the employer or the employee for their services. These are most effective when an organisation has difficulty in finding or searching for a potential candidate, or when the particular skill is scarce. These concerns also maintain a data bank of persons with different skills and abilities. ABC Consultants, A F Ferguson, Mantec Consultants are few of the concerns specialising in placements.
6. **Campus Recruitment:** Today, due to complexity of jobs, large number of companies maintain close liaison with universities, colleges, and technical institutes to meet their recruitment needs. Campus recruitment offers excellent source of technical and managerial talent. This method has gained popularity in recent times, the philosophy being to catch them young. In this method, the process

begins much before the academic session ends. Normally, a presentation by the company is made giving the background of the company and what they are seeking. Thereafter, the placement officer of the institute coordinates with the recruiter and pre-placement talks are initiated. Then, the candidates are encouraged to apply for selection. This method has proved its effectiveness. It enables companies to build a pool of applicants to choose from. This also helps companies to subsequently mould the applicants selected as they are young.

7. **Voluntary Organisations:** Some voluntary organisations also help in placement. They basically deal with handicapped, widows, retired personnel, etc.
8. **Professional organisations or Guilds:** Professional organisations are also a source of recruitment. However, these are restricted to people belonging to a particular profession. A perspective employer can approach the organisation if he is seeking a person with a specific qualification.
9. **Professional Teams:** These are temporary groups which come together for accomplishment of a specific job or assignment. Normally these are professional freelancers. This scheme has not yet picked up in India but is gaining popularity.

Advantages of External Recruitment

An external source of recruitment has its own advantages. They are:

- (a) It helps in procuring the best talent from the market.
- (b) External recruitment provides a wider canvas and larger number of applicants to select from.
- (c) Over a period of time, there comes stagnation in the organisation and it needs rejuvenation. In such a situation, it is best to infuse talent from outside. Induction of fresh talent would infuse new ideas and skills, thus enabling the organisational culture to improve.
- (d) The policy of external induction enables the company to generate competitive spirit. Current employees would work hard and show better performance.

Disadvantages of External Recruitment

There are demerits in external recruitment. They are:

- (a) External sources of recruitment impact the motivation level of the employees. This dissatisfaction or frustration amongst employees leads to rapid turnover.
- (b) External recruitment process is time consuming and expensive.
- (c) The firms are also cautious on external recruitment as they are uncertain of the person so selected.

Employee Referrals

Employee referrals are an excellent means of locating potential employee for vacancies which are difficult to fill. These are usually highly skilled in nature or are managerial appointments. The recommendation of a current employee regarding the job applicant is the best source, as the reputation of the employee is at stake.

This method, with its advantage, has pitfalls also as employees may recommend their friends. This may lead to unhealthy groups and nepotism.

Some Current Trends in Recruitment

1. **Outsourcing:** A large number of firms are drawing the in manpower requirements from an outsourced concern. This is also referred to as leasing of human resource functions. The outsourced firm, in turn, develops its pool of human resource personnel by employing people for the parent concern and makes the personnel available to them. This process has some major advantages:

- (a) Companies need not plan their human resource requirements in advance. Personnel with knowledge, skill and ability can be drawn from the outsourced firm.
- (b) The parent company is not responsible for maintenance of human relations.
- (c) Parent company can dispense with services of an employee the moment his/her services are not required.

Wipro Expands Role of Consultants for Hiring

Hiring has become a ever-growing challenge for the Indian IT Industry with companies evolving their own strategies for meeting the growing demand for quality talent. Wipro Technologies is expanding the scope of its partners for recruiting software professionals.

Partners or manpower consultants are important constituents for IT companies in sourcing required talent. Wipro General Manager for Strategic Resourcing said, 'The company is broad basing the role of its partners. The partners would be providing IT professionals for a particular business vertical.'

2. **Poaching/Raiding:** Oxford dictionary gives poaching meaning as—capture by illicit or un-sportsman like methods. Poaching in recruitment envisages recruiting a person already employed with another reputed company which may be rival in the industry. Preventing poaching and raiding is a challenge for modern human resource personnel.
3. **Re-employing Ex-Servicemen:** India has one of the largest standing armies in the world. These personnel retire early from service. A very large proportion of these men have varied specializations. Large number of concerns is today re-employing these people. The companies are able to exploit their talents as also get a dedicated and disciplined work force.
4. **E-Recruitment:** Internet's popularity has increased so has its usage. Large number of organisation today advertises their vacancies through World Wide Web. Alternatively the job seekers put their *curriculum vitae* on World Wide Web. The major advantage of e-recruitment is low cost of recruitment, time savings etc. There are large numbers of Indian firms that have taken e-route for recruiting. Cognizant has an exclusive blogs and networking forums for potential hires. Wipro is hosting training material on its site for recruitment. These steps are basically taken to facilitate students to be prepared for industry. (Ranganathan, Chandra and Sivakumar, Nandini, 'IT firms take e-route to lure students', *The Economic Times*, 26 Feb 2008, New Delhi, p. 6.)
5. **Employee Leasing:** The companies are today resorting to lease employees for temporary shortfall. In this the leasing company temporarily leases employees on its pay rolls for assignments to other companies.

Global Dimension in Recruitment: A large number of multi-nationals have opened their factories in India. At the same time, there has been a shift in Indian companies' perspective in that these have globalised their operations. The recruitment practices in these companies have made readjustments to look at the global perspective. Globalisation has been a boon and a doom story. Talented personnel are attracted to better perspectives and, hence, there may be a brain drain. However, there has recently been a shift in trends and large number of people are returning from developed economies their home countries for growth and development. Dowling (1989) carried out a study and identified critical issues for global recruitment. The major aspects that need attention during global recruitment are:

Employee Leasing Catching on in India

Hindustan Times, in its report dated December 01, 2003, stated that companies like Delhi based Team-Lease and Chennai based Mafoi have become front runners in temporarily leasing out employees on their payrolls to fill up temporary positions in other companies.

Ashok Reddy, Managing Director of TeamLease Services stated, 'employee leasing accounts for 2.5 percent of the total labour workforce in developed economies, and globally it is a \$140 million dollar business. However, in India, it is a new phenomenon.'

The main advantage for the clients is that all they have to do is identify their requirements and finally cut a pay cheque at the end of the month. The search, hiring, documentation and legal processes are all handled by the leasing company at a very nominal servicing charge.

- (a) Political and legal issues of host country.
- (b) Human resource functions are more difficult due to differential methods in different places.
- (c) Motivation of employees to take overseas assignments may be difficult, especially if the appointment is in one of the least developed economies.
- (d) Difficulties in establishing criteria for overseas assignments.
- (e) There is greater need of collaboration and connection between strategic and human resource plans of the enterprise.
- (f) Commitment of the employees from another company need to develop. It also involves relocation which may not be appreciated by many employees.
- (g) Use of virtual interviews in that people are interviewed by video conferencing or telephones.

RECRUITMENT PROCEDURE

Responsibility

In a small company with few employees, recruitment is a more informal process. The manager or owner meets informally with candidates and appoints them based on their abilities, knowledge and skills. In this, the selection is normally done by one man.

In large companies the responsibility is subdivided. First, the human resource department develops source of applicants. In the second step, the recruitment team carries out the initial selection of the candidate. In the third step, a professional team carries out the final selection. It is important to understand that in a large organisation, the recruitment function should be the responsibility of one specific department in order to develop a good and perennial source of recruits/new employees.

Stages of Recruitment

The stages of recruitment process include identifying the need to recruit, which is arrived at after receipt of requisition from the concerned department. In the next stage, the recruiter decides from where the employee can be recruited and also decides the selection method. Thereafter, the candidates are short-listed after the selection process and notified. (See Figure 9.2.)

Requisition for Recruitment Recruitment is on-going, it never ceases. However, the process of recruitment commences when a vacancy occurs, or is anticipated to occur. Then a requisition is made by the

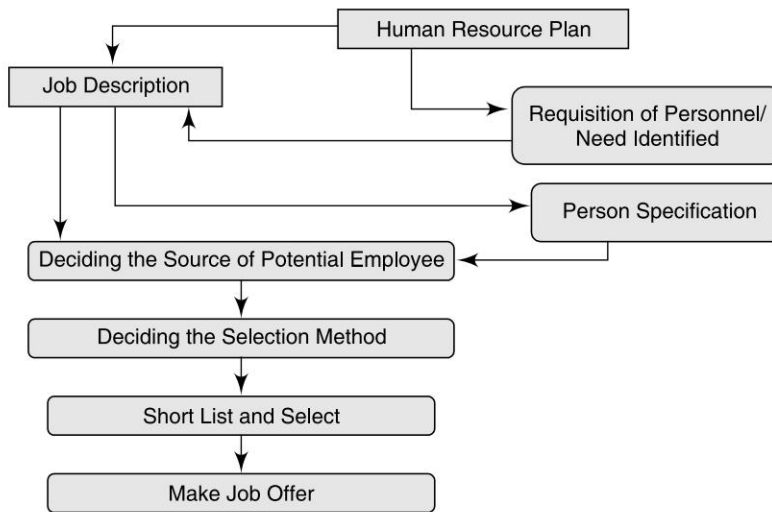


Figure 9.2 *Stages of Recruitment*

department. This is normally done on a personnel requisition form, or some other document, as required by the firms' standing orders or policy. The requisition form normally includes details of the position to be filled, qualifications, skills and abilities required and any particular behavioural pattern desired.

Process The process of recruitment generally begins with requisition. The department responsible for recruitment in the organisation (usually the Human Resource Department) starts by projecting the need. This is done by advertisements so that the information is made available to potential candidates. Thereafter, the department begins locating prospective employees with requisite qualifications and communicating to them information about the organisation. According to Famulrao, recruitment process consists of five elements, namely, recruitment policy, recruitment organisation, developing sources of recruitment, techniques used to tap the sources and methods for assessing the recruitment programme.

Recruitment Organisation

The recruitment practice is different for different organisations. Government departments, public sector, large private units, etc., follow centralised recruitment, while private sector and small and medium enterprises follow the decentralised system. Both centralised and decentralised have their merits and demerits. Under the centralised system, a separate organisation exists to carry out human resource functions. The human resource department is responsible for all actions of recruitment elucidated above. (see Figure 9.3)

RETENTION OF EMPLOYEES

Job hopping has become a common phenomenon, especially with new entrants. Several factors are enticing the employees to job hopping especially if they have specialised skills or rare talents. Companies and organisations should focus not only on recruitment but also on retention of employees. This can be achieved firstly by planning ahead and anticipating the possible moves of the employees. The human resource manager and management have to be sensitive to such moves and proactive action should be taken in the form of counselling the employee. However, effort to find suitable candidate should commence.

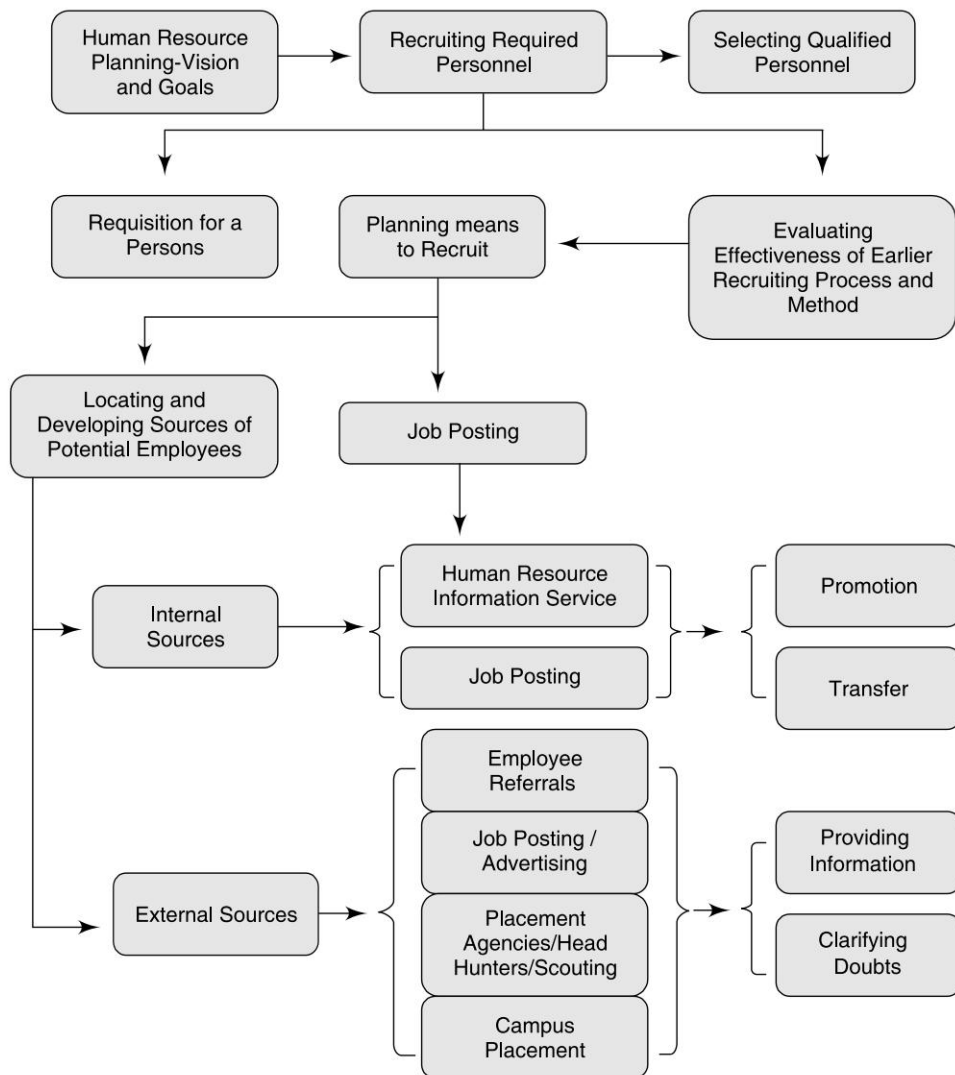


Figure 9.3 *The Recruitment Process*

The next step in retention is making sure that there is perennial source available to replace a candidate. Job clarity, design and work analysis would go a long way in ensuring satisfaction of the employee.

Lastly, the management should focus on compensation and working environment. The compensation should be competitive in the existing labour conditions. Good support system, infrastructure, inter-personal relationship and working environment all contribute to the retention of an employee.

Lately the personnel have started looking for a challenging and satisfying job. They are willing to work if the job meets their goals and aspirations. Hence, the organisation must always try to create an environment where there is challenge and also recognition of the efforts of the employee. To this end, the management should provide opportunity for personnel to grow, and have promotional avenues available for them.

THE REALISTIC JOB PREVIEW

Realistic job preview provides complete job-related information, both positive and negative, to the candidate. It provides clear information on:

- Expectations
- Norms
- Roles
- Values
- Assistance in developing needed knowledge, skills, abilities, etc.

Accurate help in interpreting events

A realistic job preview also helps the company in vaccinating potential employees against unrealistically high expectations, and helps the applicant:

- Carryout self-selection
- Understand if it meets individual and job needs
- Helps in coping effect
- Develop coping strategies
- Meet personal commitment
- Understand if it is based on personal choice

When to Use Realistic Job Previews (RJPs)

Realistic job previews can be used:

- When candidates are selective about jobs
- When there are more applicants than jobs
- When recruits lack necessary information
- When replacement costs are high

Issues in Realistic Job Previews Content

Major realistic job previews must have:

- Descriptive or judgmental content
- Facts or feelings
- Extensive or intensive content
- All information stressed, or pertinent only
- Degree of content negativity
- Positive or negative approach
- Message source
- Actors or company members

SELECTION

Selection is the process of making a 'hire' or 'no hire' decision regarding each applicant for a job from a pool of applicants. The process typically involves determining the characteristics required for effective job performance and then measuring the applicant on those characteristics. Selection, thus, is matching of qualifications, skills and abilities of the individual with the job requirement.

Nature and Purpose of Selection

No two persons are alike; there are differences in physical characteristics, intelligence, interests, and personality characteristics. *Selection* is the process of choosing the most suitable candidate from amongst the pool of applicants. The process of selection leads to employment of persons who possess the ability and qualifications to perform the job which has fallen vacant in the organisation. Selection process divides the candidates into two categories, namely, those who would be offered the job and those who would not be. Wendell (1974) has called selection as a negative process in contrast to recruitment which is positive in nature.

Tidbits

Why are differences between people important in the work place?

People bring different abilities, interests, strengths and weaknesses into the workplace. These factors affect the way they behave at work, and whether they help the organisation achieve its objectives.

These differences affect the organisation:

- Person's motivation and work ethics
- Person's goals and objectives
- Individualism versus team orientation
- Leadership orientation
- Interaction with colleagues

Individual Differences

Learning *Learning* is defined as a relatively permanent change which occurs as a result of experience or practice. Humans show little instinctive behaviour. However, their greatest asset is their ability to learn through their experience. Behaviour is determined by how they have learnt through their life. Hence, it is one of the aspects that are taken into consideration in selection.

Perception Human *perception* is a complex process, and what an individual perceives is mainly determined by the interpretation the brain makes of the various impulses it receives from sense organs. People differ as to how they see things and also differ in rapidity at which they perceive. Psychologists have shown that visual perception or seeing plays a dominant role in daily life.

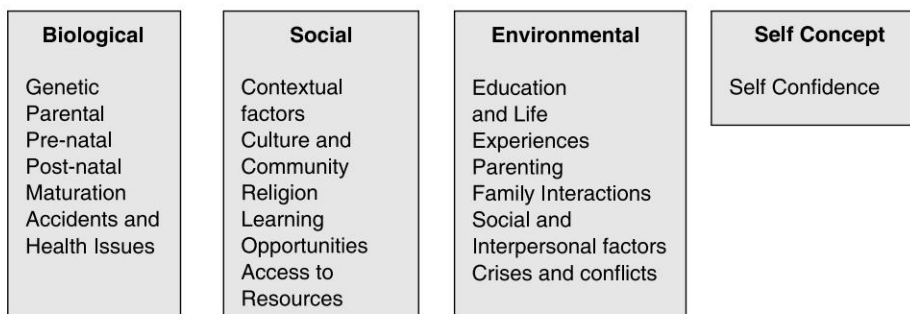


Figure 9.4 *The Origins of Individual Differences*

Attitudes *Attitude* is a learned orientation or disposition towards an object, person, situation, or issue which makes an individual react to them in a favourable or unfavourable manner. Attitudes are learned and are an orientation or dispositions we carry around as we carry our habits. It is the attitude that makes an individual to react in particular manner.

Definition

Selection can be defined as, ‘*Series of steps by which candidates are screened to identify and select the most suitable person, based on abilities, skills and knowledge to fill a vacant post.*’

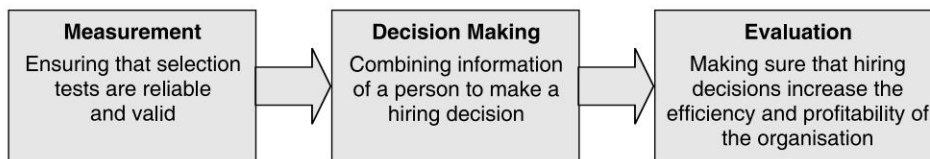
Thomas S. Stone (1989, p. 173) defined selection, ‘*as the process of differentiating between applicants in order to identify (and hire) those with greater likelihood of success in a job.*’

Steps in the Selection Process

Fisher, Schoenfeldt, & Shaw (2003) have stated that selection process involves three steps:

- (a) **Measurement:** Measuring the applicant’s qualifications, knowledge, skills and abilities by using standardised tests which are reliable and valid.
- (b) **Decision making:** Making a decision to hire an applicant based on his performance in the test.
- (c) **Evaluation:** Evaluation of the process to determine its efficiency in selecting the right candidate for the job.

The selection methods measure the applicant’s qualifications for the job. The selection of candidates typically follows a standardised procedure. (See Figure 9.5)



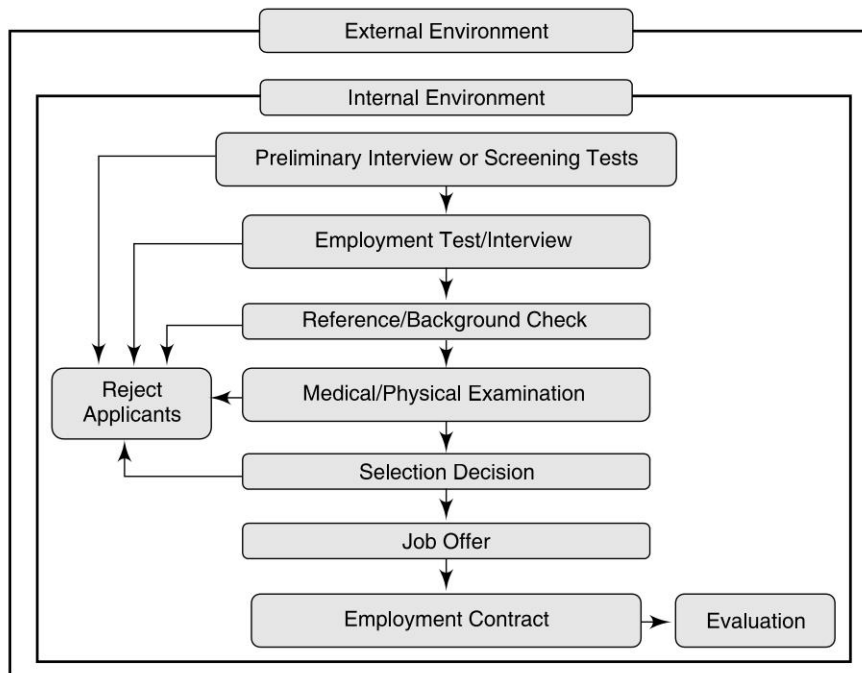
Source: Fisher, Schoenfeldt, & Shaw (2003), Figure 7.1

Figure 9.5 Selection Process

The purpose of the selection process is to select the most suitable candidate who would meet the requirements of the job. The most suitable person is selected after following a process. The process has a set of tests or hurdles an applicant must cross before he is finally offered the job. According to Dale Yoder, an applicant has to go through ‘go’ and ‘no go’ gauges. This technique is called the *successive hurdles technique*. The process is discussed with reference to the steps identified as (see Figure 9.6):

Step 1: Analysis of the Environment The first step in the selection process is to study and analyse the external and internal environment. No process can be successful if proper analysis of the environment is not carried out. It is also important to make sure that the procedure is legally correct and defensible.

Step 2: Preliminary Interview/Screening Tests Preliminary interview or screening tests are carried out to weed out the unqualified or non serious candidates. Normally a large number of applications are received by the organisation at the end of the recruitment process. The larger the pool of applicants, the wider would be the choice of the organisation. During preliminary interview, information is elicited from the candidates about their education, skills, experience, salary expected, etc. Reliance Communication only calls first class graduates for interview. Other companies may not be so strict.



Source: Adapted from R.W. Mondy and R.M. Neo III, *Personnel—The Management of Human Resources*, p. 156

Figure 9.6 The Steps in Selection Process

Companies carrying out campus placements usually carry out a presentation and then interview the candidates. A shortlist is then prepared from amongst the candidates interviewed and called for further interview.

Step 3: Application Blank or Form Application form is a traditional way of collecting information. To ensure that companies obtain information critical to them, an application blank is filled. *Application blank* is an outline format on which the candidate's information is solicited. Some of the formats may be too detailed or descriptive, while some others may be brief and comprehensive. An application blank is usually a brief history sheet of an employee's background. This enables the company to focus on their requirements and predict the candidate's chance of success in the job.

- (a) *Biographical data.* These include name, fathers' name, age, etc.
- (b) *Educational details.*
- (c) *Experience.* Previous work experience.
- (d) *Reference checks.*
- (e) *Any other detail.*

Application blanks have one great advantage of weeding out applicants who do not meet the basic requirements. Validity of application blank is poor (Typically, $r > 0.20$).

Weighted Application Blanks: Certain companies prepare special application blanks to generate weighted scores. In these applications or resumes, specific keywords are utilised and then these are rated numerically. Important characteristics or skills are identified, and candidates with experience in those, or who exhibit

those characteristics are given extra points during screening. This process facilitates in speeding up the process along with screening the number of candidates for further selection process. Validity of weighted application blank is good (Typically, $r \approx 0.50$)

Application blanks help the selection process by:

- (a) Weeding out candidates who do not possess requisite qualifications, or other eligibility criteria.
- (b) Helping in formulating questions to be asked in the interview.
- (c) Providing data which forms the basis for future records with human resource department.

Step 4: Employment Test The organisations are becoming complex and require different skills, abilities and knowledge to perform successfully at different positions. To choose the right candidate for the job from the pool of candidates, it is essential to use some form of tests, which are objective. Tests are based on the assumption that no two individuals have similar traits, and these traits can be measured. They help reduce bias in selection by serving as supplementary screening devices. There are large number of standardised tests in the market. Parekh has collected series of tests in his works which can be used for most requirements. Standardised tests are reliable and have validity. Employment tests are used today to determine the suitability of the candidate for the job. These tests bring out the qualities and weaknesses of the individuals which can then be analysed before offering a job.

Step 5: Employment Interview Interview is one of the most popular methods of selection. Sometimes it is used along with employment tests to determine the suitability of the candidate. Some concerns only carry out an interview to select a candidate. The scope of an interview is normally quite comprehensive, and it integrates all relevant characteristics of the candidate. Interview is used to find out more information from the candidate, determine suitability and also give the candidate an opportunity to know about the company, its organisation and policies. Hence, an interview is exchange of information between an interviewer and an interviewee. To make an interview a success, both the interviewer and interviewee should do their homework and prepare properly. Interview may be conducted by a single person or a panel of interviewers.

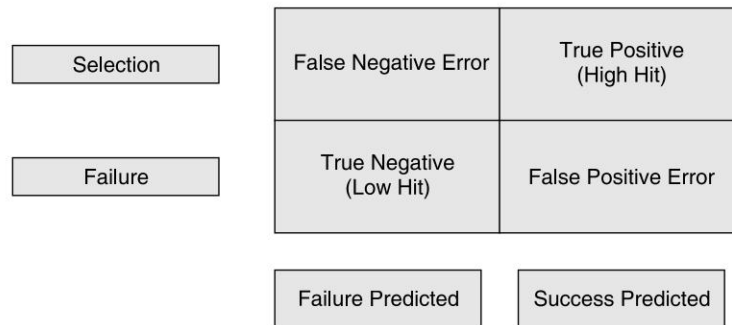
Step 6: Checking References Some concerns call for references. A referee is potentially an important source of information about a candidate's ability and personality. This is an important source of information on past performance of a prospective candidate. It is very important step, especially in identifying people for the top management positions. Sometimes, however, it is difficult to obtain frank opinion from the referee.

Stage 7: Medical Examination A pre-employment physical examination or medical test of a candidate is an important step in the selection process. There are large numbers of jobs requiring physical stamina, endurance, clear vision, etc. A proper medical examination ensures high standard of physical fitness, and, in turn, it reduces absenteeism, accidents, labour turnover, etc. Physical examination also limits unwarranted claims under worker compensation laws and law suits for damages. It also prevents any communicable disease spreading in the existing work force.

Step 8: Hiring Decision After the candidate has gone through all the steps enumerated above, the management now has to make a decision whether to hire the candidate or not. A wrong decision would cost the organisation dearly as it may lead to loss of confidence in the selection process. There are four possibilities when the management decides to appoint a particular person. (See Figure 9.7)

The four possible outcomes are:

- (a) False Negative Error
- (b) False Positive Error
- (c) True Positive (High hit)
- (d) True Negative (Low hit)



Source: Stone, Thomas S. (1989). *Understanding Personnel Management*, CBS College Publishing, p. 175.

Figure 9.7 Outcomes of Selection Decision

Of the above, decisions in selection of True Positive and True Negative are right decisions, while the other two decisions are selection errors. *True positive* implies that the candidate selected was right, and has performed and succeeded on the job as expected. *True negative* involves rejection of the candidate based on the premise that he would not succeed. *False negative error* is rejection of the candidate who could possibly have succeeded based on predictions of failures. While *false positive error* occurs when a candidate is selected on a premise that he would succeed. However, he does not come up to the expectations. It is false positive error which results in costs incurred for the organisation. The costs incurred include:

- (a) Costs incurred in hiring the individual
- (b) Costs incurred in training, transfer of the individual to overcome the deficiencies
- (c) Costs incurred in discharging/termination of services of the individual
- (d) Costs incurred in finding a replacement, hiring and training him

Selection process involves mutual decision making between the candidate and the organisation (company). The candidate decides whether the job fits his or her needs, abilities, skills and aspirations. The organisation, on the other hand, decides whether the candidate has the requisite abilities, skills, knowledge to fit the job. However, the organisation would have to decide quickly, especially if there is shortage of good candidates in the market.

SELECTION TESTS

The use of selection test is perhaps the most controversial of all personnel procedures. Attitudes range from reliance on these tests to totally ignoring the results of the tests. The employment tests have been accepted world over. Defence forces have elaborate tests to determine the suitability of an individual as an officer. The existence of individual differences is the basis of selection tests. The tests are administered to the individuals on the assumption that there is a direct and important relationship between the possession of one or more of these qualities and the individual's ability to do certain jobs. The relationship enables the recruiter to predict the candidate's eventual job performance.

Tests reduce the cost as large number of candidates can be administered the tests at the same time. If the employer wants to retain the competitive edge then the costs of hiring and training of an employee must be kept at the minimum. Psychological tests can help in predicting the success of employees by measuring their attitudes. Tests can also help the management to uncover the dormant trait and characteristics which otherwise would have been overlooked. This could help the organisation in better utilisation of the talent.

Types of Tests

Intelligence. Intelligence tests are basic mental ability tests. They reveal the application of knowledge capacity of an individual to a given situation for efficient resolution of the problem. Intelligence tests measure the ability to understand instructions and make decisions. They do not refer to any single trait. The tests comprise of a variety of aspects, such as vocabulary, numerical ability, reasoning, etc. Intelligence tests are classified in two categories, viz., those which give intelligence quotient (I.Q) or mental age, normally referred to as *general intelligence tests* and those that give indication of persons standing in various constituents, or elements, or factors of intelligence, called the *tests of mental ability*. Some popular intelligence tests are *Wechsler Adult Intelligence Scale*, *Stanford Binet Test*, *Otis Self Administering Test of Menatal Ability*, etc. These tests are useful for selecting employees in a wide variety of jobs. The tests are useful for initial screening of candidates. In India, these tests are criticized as being discriminatory against weaker sections of society.

Aptitude Tests: Aptitude tests are specifically designed to measure job specific skills. The aptitude may vary but the tests are most promising indices in predicting workers' success. There are two basic types of aptitude tests, viz., *cognitive ability tests*, which measure mental and intellectual aptitude, and *motor tests* which measure physical dimensions, such as manual dexterity, perceptual speed, visual insights, etc. These tests are useful for selecting personnel entrusted with the job of operating machines. These tests have high reliability of 0.90–0.96 and validity of 0.40–0.60.

Personality: Personality tests probe the personality of the individual as a whole. *Personality* is interpreted as a combination of traits. Most tests try to identify the various dimensions included in personality. Some popular personality tests are the *California Psychological Inventory Test* and *Minnesota Multiphasic Personality Inventory* (MMPI) Test. These tests are exhaustive and lengthy.

Psychological Tests: A psychological test is essentially an objective and standard measure of a sample of behaviour. Psychological tests are used for counselling, diagnostic purposes to assess personality, and selection of candidates.

Projective Tests: Projective tests are part of the personality determination tests. These tests try to understand an individual's personality and its various characteristics by seeing it through his projections. Main features of these tests are in that these allow subjects a relatively ambiguous or unstructured task which allow them an opportunity to impose upon it their personality interpretations, which may be freely revealed through their responses. In this, a series of pictures are shown and the candidates are asked to write a story on it. It has been seen that when an individual interprets, his motives, attitudes and aspirations get projected on the theme. By this method, the individual's aspirations, frustrations and underlying motives can be known. These tests measure both intellectual and non intellectual personality traits. They tell about general intelligence level, methods of tackling problems and facing problems, creativity, etc. Some popular projective tests are *Thematic Appreciation Test*, *Rorschach Ink Blot Test*, etc.

Interest Tests: Interest inventories are not instruments of measuring traits. These tests determine a person's values, attitudes and interests. These tests are inventories of candidate's likes and dislikes in relation to work. They are used to discover a person's area of interest and to identify the kind of work that would satisfy him. The popular tests of interest are the *Strong Vocational Interest Blank*, *Strong Complete Interest Inventory*, *The Kuder Preference Record*, etc.

Achievement: These tests measure the effects of learning. The emphasis is on what the individual can do at a given time. Some tests are *Tests of Achievement and Proficiency*, *Test of Academic Skills*, *California Achievement Test*, etc.

Development of Tests

The development and design of tests for selection requires careful planning, analysis, experiment and technical knowledge. The tests are carefully developed instruments, following certain highly standardised, and often intricate, procedures. The tests must meet certain criteria of validity, reliability, and objectivity and should be easily interpretable and standardised.

The criteria for Selection Tests are given in Figure 9.8.

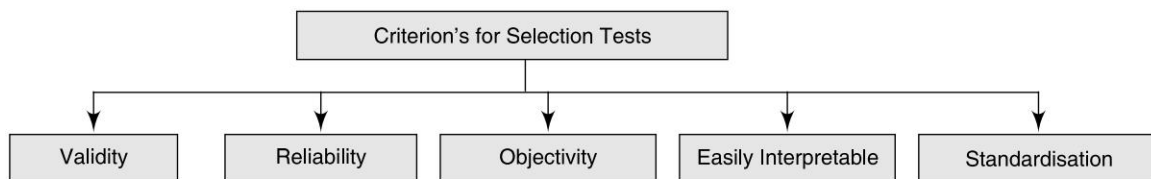


Figure 9.8 *Criteria's for Selection Tests*

Validity: Validity of a test is expressed in *coefficient of correlation*, in which the test score is correlated with some performance criterion. It should be remembered that validity of a particular test is for a specific purpose, i.e., a good testing instrument is valid for a specific purpose only. There are three types of validity evidence, viz., construct, content and criterion (i.e., empirical). *Construct validity* evidence is recorded through theoretical and empirical evidence that a particular psychological or physical trait exists apart from other known traits and can be accurately measured. *Content Validity* evidence of a test is demonstrated when a particular selection method measures certain knowledge, skills and abilities that have been identified through job analysis. Content validity ration index determination is given in Figure 9.9. *Criterion Validity* evidence requires an employer to conduct an empirical study to demonstrate a statistical correlation between an applicant's scores on the selection method and subsequent scores during job performance.

There are three types of Criterion Validity Studies, viz., concurrent, predictive and validity generalisation. **Concurrent** uses a sample of current employees. It suffers from a disadvantage as it tends to underestimate the true validity because the employees have completed training and have job experience which may cause them to test differently. The result for selection may be different. **Predictive** validity is evolved by hiring a set of people, training them and then evaluating them over a period of time. The tests are reasonable but expensive as the people have to be hired and have to be paid for a period of time. The third criterion in validity study is the **validity generalisation** in which the employer uses criterion evidence from published studies as evidence of the general validity of a given selection method for certain specific jobs. There is one limitation which has been recorded in that research has determined that low selection validity for ability tests was mainly due to small sample sizes, restriction in the range of performance score and unreliability of performance ratings.

Advantages of Selection Tests

The employment tests offer advantages as under:

- (a) They are standardised and objective. It eliminates bias in the selection process.
- (b) Tests can identify talents of individuals which might otherwise be overlooked.
- (c) Tests reduce the costs of selection and placement because large number of applicants can be evaluated within the least possible time.
- (d) Psychological tests can help in measuring the aptitude of candidates and predict their success.

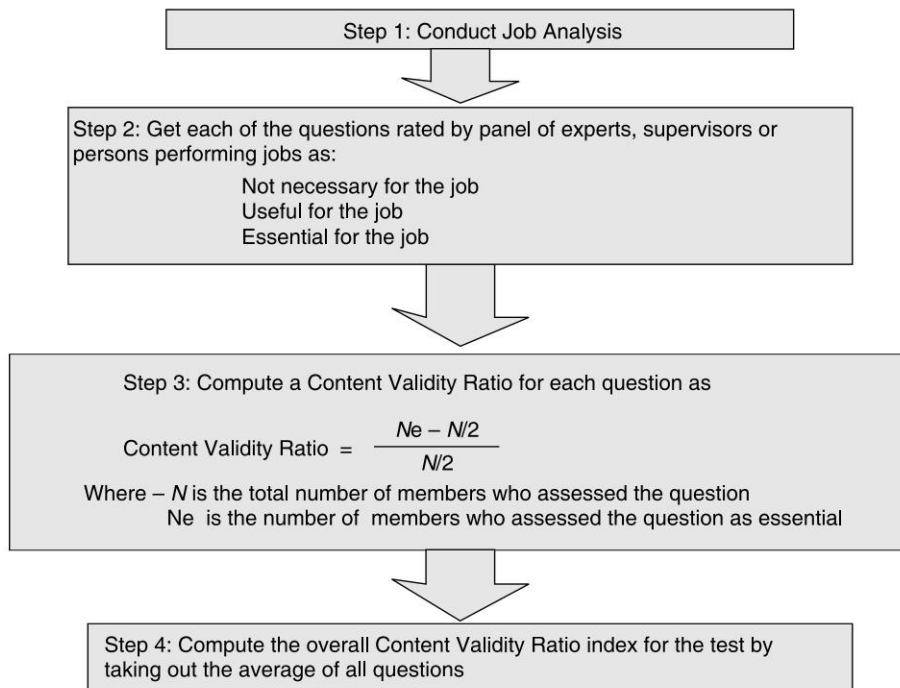


Figure 9.9 *Content Validity Ratio Index*

Limitations of Selection Tests

Employment tests are often criticized as:

- (a) Tests measures only part of the total information needed to make an accurate selection.
- (b) No test can measure with guarantee the complex combination of characteristics required in numerous positions.

Significance of Interview

Interview is the most widely used tool in personnel selection and has considerably longer history than employment tests. Interview is the most complex selection technique because its scope includes measuring all the relevant characteristics and integrating and classifying all other information about the applicant. An interview is an attempt to secure maximum information from the candidate concerning his suitability for the job under consideration.

According to Jucius Michael (1971), '*An interview is a face to face, oral, observational and personal appraisal method.*' Interview is more than a means of gaining information, it is a give and take process in which the interviewer and the interviewee exchange information and make up their minds. It is to get the feel of the candidate, observe his appearance, mannerism, confidence, typical ways of reacting to questions of various sorts and to exchange information that the company thinks is useful to the organisations.

Types of Selection Interview

The various forms of interview are:

- (a) **Structured Interview:** The structured interview is based directly on a thorough job analysis. It applies a series of job-related questions with predetermined answers consistently across all interviews for a particular job. The replies/answers by the applicants are compared with critical scores and used in determining who is selected. The interviewer prepares standard questions and same are usually asked to all applicants. In this, the interviewer actively participates by asking questions and the interviewee is expected to answer only. The emphasis is on the applicant's response to the questions. Structured interview has a reliability factor of 0.80–0.85 and validity factor of 0.40–0.60.
- (b) **Unstructured Interview:** An unstructured interview is largely unplanned and the interviewee does most of the talking. It applies a series of questions which are more related to personal preferences and desires of an interviewee. The interviewer tries to create an atmosphere in which the interviewee feels free to express his opinion. Different questions are asked to different candidates. These lack uniformity and miss out on certain critical applicant skills and background. Emphases are laid on personal characteristics rather than information exchanged.
- (c) **Preliminary Interview:** It is shortest interview and is intended to determine if more extensive testing and review of complete application blank or resume is worthwhile. It is primarily screening device which aims at scrutinizing the applicants and selecting the best amongst them for further selection process. Preliminary interview results in saving time and money.
- (d) **Background Information Interview:** It primarily consists of questions to determine the history of the applicant. This type of interview requires detailed preparations in advance regarding the questions to be asked. Background information interview method demands more matured understanding of human behaviour and development.
- (e) **Stress Interview:** The term 'stress interview' is usually applied when an applicant is interviewed under deliberately created/induced conditions resulting in stress on the interviewee. It requires that the interviewer must be tactful and skilful. It is used for selection of higher posts.
- (f) **Telephone Interview/Video Conferencing:** In view of the global nature of the companies and the workforce being employed in various parts of the country, telephone interview has become popular means of selection. These types of interviews can be unannounced, prearranged, sales interviews and research interviews. With improvement in technology, video conferencing is also gaining popularity. In this, the interviewer is able to see the reaction of the interviewee on a screen.

Other types of interview are *face-to-face*, in which the interviewer and interviewee are alone and one-to-one, *panel interview*, in which a panel usually consisting of subject experts interview and ask question pertaining to their respective subjects, *sequential interview*, in which, as the name suggests, the interviewee is interviewed in sequential order by different interviewer. This is done to remove bias. *Peer group interview* is undertaken by perspective co-workers of a candidate, etc.

Advantage of Interview in Selection

The major advantage in interview is that the candidate is physically present; the interviewers get an opportunity to evaluate various aspects of his personality. Interview enables the interviewer to know the attitude, ability, linking capability, etc., of the candidate. The mental makeup of the candidate is manifested in the process. Interview being an audio visual technique, seeing and hearing can provide an opportunity to an interviewer to observe a number of personality traits of the applicants, such as sense of humour, mannerism, quickness of reaction, mastery of language, ability to organise thoughts, physical vigour, cultural level, sophistication, etc. It has been observed that most of the concerns do not go through elaborate selection procedure but rely only on interview to select a candidate for a job.

Errors in Interviewing

There are certain common errors/pitfalls in an interview which the interviewer must guard against:

- (a) **Personal Biases/Similarity Effect:** Interviewers are humans and, over of period of time, develop biases. Their likes and dislikes of particular visual or expressed traits with candidate affect their judgement. The interviewer gives more favourable assessment to those who share beliefs and personality.
- (b) **Halo Effect:** Halo effect is to be influenced by the reputation of the person or by single predominant characteristic of the candidate. For example, the candidate may belong to a reputed business institute and this may affect the judgement of the interviewer. He may grade the candidate higher than others.
- (c) **Leniency:** A single assessor may be at times too lenient in rating the candidate. This may be due to attitude of playing safe, lack of confidence, or many other reasons. The single interviewer may also be very strict due very high expectations, lack of understanding, and rigidity of personality.
- (d) **Contrast Error:** The interviewer assesses the candidates on the basis of comparison with other interviewees rather than set an absolute criterion. A qualified candidate may be rejected just because the previous candidate was brilliant.
- (e) **First Impression:** The interviewers have a tendency to make up their minds in the first 2–4 minutes of the interview. Hence, the initial interaction of the first few minutes between the interviewer and the interviewees influences the subsequent information and interaction.
- (f) **Negative Weighting:** In this, the interviewer gives larger or greater emphasis to a negative quality or trait observed than to positive qualities and a suitable candidate is rejected.
- (g) **Caste/Sex/Age Biases:** Demographics characteristics play a very important effect on the selection of the candidate, especially in India. Candidates are selected or rejected just because they belong to a particular caste, sex or age.
- (h) **Non-Verbal Communication Style:** Communication style, animation, body language, clothing, and other visual characteristics influence the interviewer.
- (i) **Listening and Memory:** The interviewer may not be able to recall up to seventy per cent (70%) of the interview, particularly in the absence of format and recording procedure.

Interview Procedure

Interview procedures and techniques vary considerably from organisation to organisation. The interview should be planned and conducted in a manner that the candidates get a positive feel of the organisation. The first aspect of planning should be that both the interviewer and interviewee have sufficient time to prepare and plan for the interview. This is followed by checking all the relevant facts and information of the interviewee. The interviewer then plans the interview in the light of information supplied/available. The interviewer must match the facts supplied by the candidate with the job requirements, as available from job analysis. There is lot of literature on interviewing. Richard W. Beatty and C.E. Schneir (1981) have listed guidelines for interviewer and interviewee. The guidelines for interviewer are given Figure 9.10.

Planning: Plan for interview, get information of candidate, arrange good environment and match job requirements with information available.

Structuring Interview: The interviewer should then structure the interview.

Personal Impact: The interviewee's first impression is given by personal demeanor of the interviewer and the impression is carried throughout.

Responding to the Applicants: There should be concern for the applicant's feeling while maintaining control over the interview.

Recording: The interviewer must record salient points and not leave it to memory.

Figure 9.10 Guidelines for Interviewer

Guidelines for the interviewee are given in Figure 9.11.

Carry out research of the company one values, ethos and beliefs where one has to go for interview.

Be punctual, dress appropriately.

Find out about interviewer.

Be attentive, responsive and communicate your interest.

Be responsive to every part of the question.

Make notes of the interview on its completion for subsequent follow up.

Be certain of the responses filled in application blanks.

Thank the interviewer in the end.

Figure 9.11 Guidelines for Interviewee

GROUP DISCUSSIONS

Group discussion is a widely used method for selection of candidates. It assists in analysing the social behaviour, social framework, personality, interests and various social traits of some candidates simultaneously. In situations where leadership ability is an important factor, like defence forces, group discussions are held as a part of the selection process. In group discussion or situational tests, judgment can be made on the basis of actual behaviour of each individual in the group. It has also an advantage that the personality can be more accurately judged as the individual traits manifest in a broader social situation.

Other Selection Methods

Work Simulation: A typical *work simulation* exercise involves simulation of conditions under which the candidate would have to work under actual conditions. The ability of the candidate to handle typical situations involved with a particular job are assessed in work simulation. The basic procedure involves choosing tasks that are crucial to performing the job for which a candidate is being recruited.

Assessment Centres: An *assessment centre* has been described as a selection procedure that uses multiple methods of selection. An assessment centre usually puts the candidate through a programme of tests which include exercise, interviews, group discussions, psychological tests and assess wide range of abilities, skills, knowledge and behavioural characteristics and potential required for effective performance of skills. Usually the assessment centres are outsourced agencies with specialised personnel for conduct of tests and assessment.

Customer Situation: These are usually conducted for persons manning the sales and service departments. In this, the situation is painted where customer behaviour and product problem are posed to be resolved by the candidate. The candidates would then meet to decide the strategy to meet the complaint.

Hiring for Team Work

The modern industry/ organisations are now relying more on teams to carry out functions. There are some specific talent and behavioural characteristics that are peculiar to team operations. An effective team member should be able to recognise a possible conflict and reduce or eliminate it, participate and collaborate in problem solving, communicate openly and supportively and coordinate and synchronize activities. Hence, there is a necessity to identify these behavioural characteristics. The team member should show distinct personality characteristics of conscientiousness and agreeableness. Group discussion is a simple technique used for determining teamwork of the candidate.

Social Media Searches

‘Google him!’ ‘Let’s look at his/ her profile.’ ‘Did you see those photos of him/her drinking beer?’ These are common things that can be heard in any office when a potential new hire comes in for an interview. According to MSNBC, 23 percent of recruiters already research social networks as part of their hiring process. Sometimes it seems like a contest, with all the current employees seeing who can find the most information about the new hire on the internet. The problem is that it is not a game. Traditional background checks are a serious business and have rules clearly defined. However, social media searches are uncharted territory. Consequently, there are no best practices established when using them to make hiring decisions. These are some suggestions for a framework of standards that your organisation can use when searching social media for employment purposes:

1. **Employers should absolutely use social media searches when qualifying candidates.** Employers don’t necessarily care about ‘drunken spring break photos’ on a candidate’s *Orkut* or *Facebook* page. However, they do care about their company’s credibility and public image. A corporate reputation that took generations to build could be ruined in seconds because a single employee has chosen to mismanage his/her online profile. On the Internet, once an association is made between a person’s online identity and an organisation, the damage lasts forever.
2. **Social media searches should act as a supplement to traditional background checking services, NOT as a replacement.** These two functions need to work in tandem in order to make responsible hiring decisions. First of all, nothing can replace a criminal background check, which is imperative for avoiding potential fraud and danger in workplace. Furthermore, as it becomes easier and easier for anyone to upload *any* information to an online profile it becomes even more necessary to confirm what is found through your social searches. Education and work experience verifications are still necessary.
3. **As is the case with traditional background checks, employers should get permission/inform candidates when running social media searches.** Currently, the law is unclear on the legal obligations pertaining to running unauthorised social media searches and there have been no high profile issues to date. If an employer uses Google to run the searches, there is a high probability they will pick up ‘false positives’. Therefore, there is no way to know that the information they are looking at pertains to the actual candidate in question. The idea of the search is not to spy, but to ensure that the organisation and the candidate are in fact a good fit for each other. For example, our company recently made a hiring decision based on the enthusiasm and insight a candidate displayed through his twitter profile. Social media searches do not have to be just about digging up skeletons in someone’s closet, they could actually help you learn more about who someone is and what they aspire to be.

Selection in India

Conditions in India are different from what has been observed world over. India is a strange phenomenon with large scale unemployment juxtaposed with shortage of skilled labour. Unemployment prevails among people who are unemployable since do not possess requisite skills. India also has problems of corruption, favouritism, and influence in selection process. Selection is, at times, not systematic and, at times, takes unique and unorthodox methods.

The Junior Leaders Academy, Bareilly, had to appoint a chowkidar. As per Government orders on the subject, names were sought from employment exchange and also notified in the press. The employment exchange forwarded a list of more than one hundred and fifty candidates to select from. In addition, there were more than two thousand direct applications. The test of selection became a test for elimination in that all were made to run a distance of one kilometre and the first few in each group were retained. Then the

selected group was again made to do few physical activities and some more eliminated; till a reasonable group was left for testing.

However, selections of personnel in senior cadres have been refined and proper procedures are used. There are specialists' agencies available for carrying out selection.

Selection Methods Used in Other Countries

Every nation in the world has its own selection methods based on culture, education level and regulations of the government. European countries have more control on the use of tests for selection, but there is considerable variability in usage. Unions have great influence in European countries and they inhibit the use of tests in selection process. Italy forbids use of selection tests by law. United States has been using employment tests. It has of late been observed that China makes extensive use of tests for selection. In fact, China is one of the pioneers in use of tests.

There are various methods used for selection as discussed above. Cook (1990) has listed ten methods and five criteria. In Figure 9.12 some methods, as given by Cook, have been analysed against only four criteria. These have been found important. One criterion's legality has not been very readily accepted in Indian courts and, hence, not taken here. However, for the purpose of an organisation, the legality of a test is important. The Indian courts have gone for same yardstick, a common procedure for conducting the test for its applicability and acceptance.

Test	Validity	Cost	Practicality	Generality
Interviews	Low	Medium/high	High	High
References	Moderate	Very Low	High	High
Peer rating	High	Very low	Very Limited	Low (Now being implemented in many firms)
Biodata	High	Medium	High	High
Personality tests	Low	low	Fair	Usually for managerial appointments
Work sample	High	High	High	Implemented for selection of workers working on floor
Job Knowledge Test	High	Low	High	-do-
Education	Low	Low	High	High
Assessment Centres	High	Very High	Fair	High

Source: Adapted from Cook (1990)

Figure 9.12 Summary of Assessment of Selection Tests

EXERCISE

REVIEW QUESTIONS

1. What do you understand by recruitment? Explain the process of recruitment.
2. Identify the emerging trends in recruitment. Do you agree with the statement that recruitment is no longer a staff but a strategic function? Justify.
3. Discuss the role of recruitment in an integrative human resource strategy.

4. Describe the nature and importance of employee recruitment.
5. What sources would you recommend for the appointment of management personnel? Why?
6. Campus recruitment is popular mode of recruitment. Would you, as the personnel manager of a corporation, like to send an old and tried hand or an alumni of the institute serving with the company to carry out further recruitment? Justify your choice with reasons.
7. Discuss in brief what you understand by selection. What is the significance of selection in an organisation?
8. What are the steps in selection process? Explain them briefly.
9. Discuss the various methods of employment tests. How can you ensure subjectivity during tests?
10. Discuss the potential problems of selection in a growing economy.
11. Give the merits and demerits of employment tests. Briefly explain the various kinds of tests used.
12. Answer the following in brief:
 - What is the purpose of selection?
 - What is poaching? What are your views on it?
 - What do understand by validity? Explain.
 - What do you understand by reliability?
 - What is outsourcing of recruitment?
 - Write a note on e-recruiting.

FILL IN THE BLANKS

1. Recruitment is the process of finding and _____ capable applicants for employment.
2. The modern worker looks for _____ and a reasonable remuneration.
3. The first step in _____ process is to study and analyze the external and internal environment.
4. Large number of organization today advertises their vacancies through _____.
5. The major advantage in _____ is that the candidate is physically present; the interviewers get an opportunity to evaluate various aspects of his personality.
6. _____ is a process where announcement of positions available/ vacancies anticipated are posted on a board or circulated through a news letter, intranet, etc.
7. Human _____ is a complex process and what an individual perceives is mainly determined by the interpretation the brain makes of the various impulses it receives from sense organs.
8. _____ evidence requires an employer to conduct an empirical study to demonstrate a statistical correlation between applicant's scores on the selection method and subsequent scores during job performance.
9. An _____ interview is largely unplanned and the interviewee does most of the talking.
10. _____ should act as a supplement to traditional background checking services, NOT as a replacement.
11. _____ is the process of attracting potential candidates for a particular job vacancy.
12. Supply and demand of the specific skill in the market place also affects the recruitment process of the organization. This statement is _____ (True/False).
13. Retired employees is the _____ source of recruitment.
14. The dependents and relatives of deceased employees and disabled employees are also source of internal recruitment _____ (True/False).
15. _____ is a process of selecting most desirable candidates among others for a particular job.
16. The final step in selection process is _____ of candidate to their job and workplace.

PROJECT WORK

1. Study the recruitment pattern of a medium sized company carrying out production and a retail store. Compare the strategies and methods adopted by the two. What are the unique features of the two concerns? Prepare a critical report.

2. Study the selection process being followed by an organisation of your choice. Critically analyse the selection process vis-à-vis the human resource strategy. Does the selection process assist in achieving the goals of the organisation? Present the study in class.

ANSWERS TO FILL IN THE BLANKS

- | | | | |
|------------------|---------------------------|---------------------|-----------------------|
| 1. Attracting. | 2. Quality of life. | 3. Selection. | 4. World Wide Web. |
| 5. Interview | 6. Job posting. | 7. Perception. | 8. Criterion validity |
| 9. Unstructured. | 10. Social media searches | | |
| 11. Recruitment | 12. True | 13. Internal Source | |
| 14. False | 15. Selection | 16. Placement | |

Unit 4

Performance Management: Training and Development



Chapter 10

Performance Management

LEARNING OBJECTIVES

After reading this chapter, you will be able to understand

- What is performance management
- Objectives of performance appraisal
- Uses and importance of performance appraisal
- Process of performance appraisal
- Methods of performance appraisal
- Performance management
- Potential management

INTRODUCTION

Performance management systems are among the most important human resource practices and also a comprehensively discussed topic. Your instructor will measure your performance in this class by awarding you grades; in turn, you may measure your instructor's performance by completing an instructor's evaluation rating at the end of the course. The history of performance management is quite brief. The phrase 'performance management' was first coined by Beer and Ruh in 1976.

Aim of Performance Management

'Performance management' aims at establishing a high performance culture in which individuals and teams take responsibility for the continuous improvement of business processes of their own skills and their contribution within the framework provided by an effective leadership.

The Meaning of Performance

Performance management is about 'performance'. Performance is often defined simply in output terms, i.e., the achievement of quantified objectives. Performance is not only the matter of what people achieve but also of how they achieve it. *The Oxford English Dictionary* confirms this by including the phrase 'carrying out' in its definition of performance—'the accomplishment, execution, carrying out, working out of anything ordered or undertaken'.

Bates and Holton (1995) have pointed out that 'performance is a multi dimensional construct, the measurement of which varies depending on variety of factors'. This definition of performance leads to the conclusion that when managing performance both inputs (behaviour) and outputs (results) need to be considered. It is not a question of simply considering the achievement of targets, as used to happen in 'management by objectives' schemes. Competency factors need to be included in the process. This is called the 'mixed model' of performance management. It covers the achievement of expected levels of competence, as well as objectives set and reviewed.

The concept of performance has been expressed by Brumbrach (1988) as follows:

'Performance means both behaviours and results. Behaviours emanate from the performer and transform performance from abstraction to action. Not just the instruments for results, behaviours are also outcomes in their own right—the product of mental and physical effort applied to tasks—and can be judged apart from results'.

Tidbits

Performance Management—What is it?

Performance Management is an ongoing communication process, undertaken in partnership, between an employee and his or her immediate supervisor that involves establishing clear expectations and understanding about:

- The essential job functions the employee is expected to do.
- How the employee's job contributes to the goals of the organisation
- What 'doing the job well' means in concrete terms.
- How employee and supervisor will work together to sustain, improve, or build on existing employee performance.

Bacal (1999, p. 3)

Definition of Performance Management

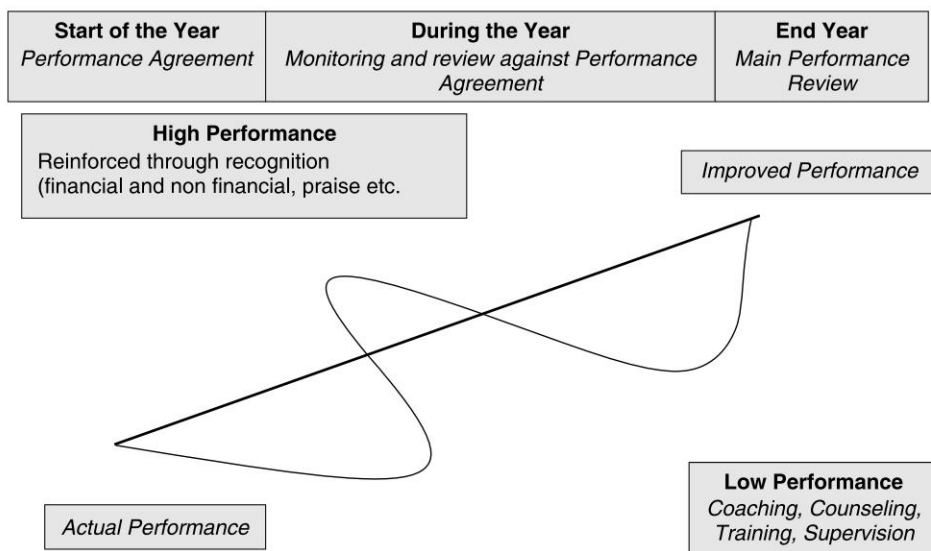
Armstrong and Baron (2004) define performance management as—'*performance management is process which contributes to the effective management of individuals and teams in order to achieve high levels of organisational performance. As such, it establishes shared understanding about what is to be achieved and an approach to leading and developing people which will ensure that it is achieved*'.

In simple terms, performance management may be understood as the assessment of an individual's performance in a systematic way and may be defined as *'a structured formal interaction between a subordinate and supervisor, that usually takes the form of a periodic interview (annual or semi-annual), in which the work performance of the subordinate is examined and discussed, with a view to identifying weaknesses and strengths as well as opportunities for improvement and skills development'*.

Concept or Essence of Performance Management

Performance management is a shared process between managers, the individuals and teams they manage. It is based on the *'principle of management by contract; it includes and incorporates high performance expectations in such contracts'*.

Performance management is based on the agreement of objectives, competence (knowledge, skill and abilities) requirements, performance improvement and personal development plans involving the joint and continuing review of performance against these objectives; thereafter, assessing requirements, modifying plans and agreements, and implementing new plans for further developments are also included. Figure 10.1 represents the stages of management.



Source: Adapted from 'Performance Management: Key Strategies and Practical Guidelines' by Michael Armstrong (2004).

Figure 10.1 Stages of Performance Management

Guiding Principles of Performance Management

Egan (1995) proposes the following guiding principles for performance management:

'Most employees want direction, freedom to get their work done, and encouragement not control. The performance management system should be a control system only by exception. The solution is to make it a collaborative development system, in two ways. First, the entire performance management process—coaching, counseling, feedback, tracking, recognition, and so forth—should encourage development. Ideally, team members grow and develop through these interactions. Second, when managers and team members ask what they need to be able to do bigger and better things, they move to strategic development'.

Fletcher and Williams (1992) suggested four underlying principles of effective performance management.

1. It is owned and driven by line management and not by the human resource department.
2. Shared corporate goals and values are emphasised upon.
3. Performance management is not a packaged solution but something that has to be developed specifically and individually for each particular organisation.
4. It should apply to all staff, not just part of the managerial group.

Goals Performance Management begins with goals. Goals define the results that people should aim to achieve. Goals are touchstones for performance appraisal, rewards and improvements.

Goal setting should be a top-down process that begins in company strategy. There should be a cascading of linked aligned goals from the top of the organisation to the bottom. The real power of the cascading goals lies in their alignment with the highest purpose of the organisation.

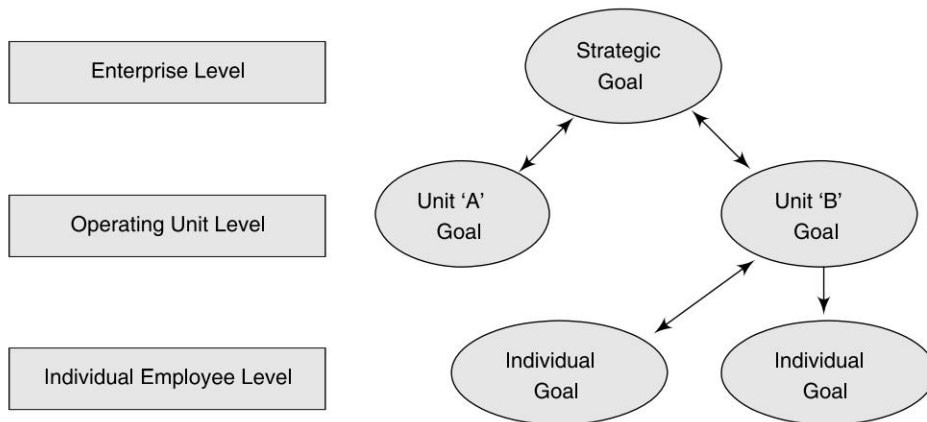


Figure 10.2 *Goal Alignment from Top to Bottom*

No experienced CEO trusts himself/herself to think of and dictate the best possible strategy. Instead, the top management enlists the ideas and suggestions of others. Together these people brainstorm on the many alternative courses of action, and in the process, the personal goals of many are reflected in the company's strategy. The same sharing of ideas should be carried out at lower levels. This involvement of goal setting process leads to

- (a) The employees having the capacity to assume responsibility for goals; and
- (b) Their understanding of the details and the importance of their assigned goals.

Tidbits

Characteristics of Effective Goals

- Recognised as important
- Aligned with organisational strategy
- Clear
- Written in specific terms
- Measurable and framed in time
- Achievable and challenging
- Supported by appropriate incentives and rewards

The Meaning of Alignment One of the most fundamental purposes of performance management is to align individual and organisational objectives. This means that everything people do at work leads to outcomes that further the achievement of organisational goals. This purpose was well expressed by Fletcher (1993), who wrote:

'The real concept of performance management is associated with an approach to creating a shared vision of the purpose and aims of the organisation, helping each employee understand and recognize their part in contributing to them, and in so doing, manage and enhance the performance of both individuals and the organisation.'

Alignment can be attained by a cascading process so that objectives flow down from the top and, at each level, team or individual objectives are finely tuned in the light of higher levels goals. But it should also be a bottom-up process, individuals and teams being given the opportunity to formulate their own goals within the framework provided by the defined overall purpose, strategy and values of the organisation. Objectives should be agreed upon and not set, and this agreement should be reached through open dialogue that takes place between managers and individuals throughout the year. In other words, this needs to be seen as a partnership in which responsibility is shared and mutual expectations are defined.

Scope of Performance Management

The scope of performance management is not restricted to an individual, it encompasses managing an organisation. Fowler (1990) in his work states that performance management is a 'natural process of management, not a system or a technique'. It is about managing within the context of the business, namely, its internal and external environment. Performance management processes are part of managing for performance, in which the whole organisation is involved. Here, 'whole' means all embracing, covering every aspect of a subject. It takes a comprehensive view of the constituents of performance, how these contribute to desired outcomes at the organisational, departments, team and individual levels, and what needs to be done to improve upon these outcomes.

Rational for Policy on Performance Management Performance Management is a means of getting better results from the whole organisation, or teams or individuals within it. As defined by Philpott and Sheppard (1992), "the fundamental goal of performance management is to establish a culture in which individuals and groups take responsibility for the continuous improvement of business processes and their own skills and contributions". Objectives for the performance management policy can best be understood in terms of potential benefits. Mohrman, Resnick-West and Lawler (1989) have identified the following:

- Increase motivation, self-esteem to perform effectively
- Gain new insight into staff and supervisors
- Better clarify and define job functions and responsibilities
- Develop valuable communication among appraisal participants
- Encourage increased self-understanding among staff as well as insight into the kind of development activities that are of value
- Distribute rewards on a fair and credible basis
- Clarify organisational goals so they can be more readily accepted
- Improve institutional/departamental manpower planning, test validation, and development of training programs

Advantages of Performance Management

The advantages of performance management are

- (a) Reduces the need to be involved in everything that is done in an organisation (micromanagement)

- (b) Saves time by helping employees make decisions on their own by ensuring that they have adequate knowledge, skills and abilities to do so
- (c) Defines responsibilities and avoid time consuming misunderstandings
- (d) Has information, reduced situations where information is not available or there is inadequate information
- (e) Reduces mistakes and errors.

Performance Management and Performance Appraisal

It is sometimes assumed that performance appraisal is the same thing as performance management. But there are significant differences. Performance appraisal can be defined as the formal assessment and rating of individuals by their managers at, usually, an annual review meeting. In contrast, performance management is a continuous and much wider, more comprehensive and more natural process of management and clarifies mutual expectations, emphasise upon the support role of managers who are expected to act as coaches rather than judges, and focuses on the future.

Performance Appraisal	Performance Management
Top-down assessment	Joint process through dialogue
Annual appraisal meeting	Continuous review with one or more formal reviews
Use of ratings	Ratings less common
Monolithic system	Flexible process
Focus on quantified objectives	Focus on values and behaviours as well as objectives
Often linked to pay	Less likely to be a direct link to pay
Bureaucratic – complex paper work	Documentation kept to minimum
Owned by HR department	Owned by line managers

Figure 10.3 *Comparison of Performance Appraisal with Performance Management*

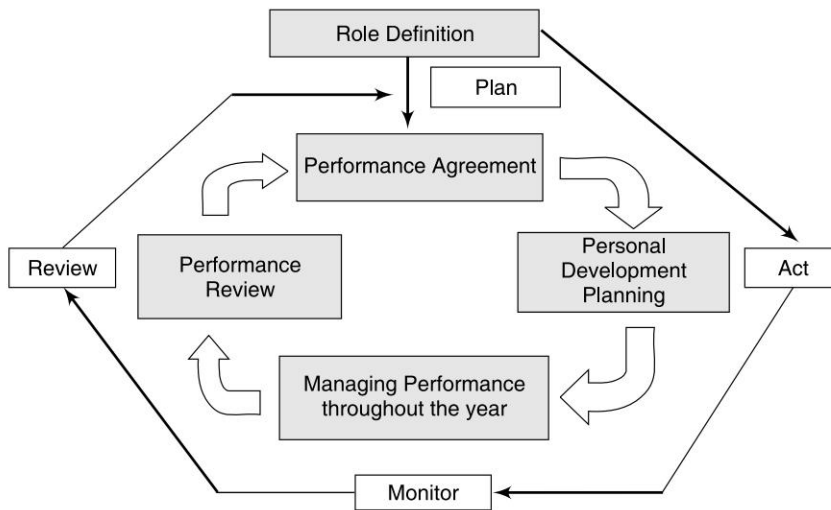
Performance Management Process

Performance management should be regarded as a flexible process, not as a 'system'. The use of the term 'system' implies rigid, standardised and bureaucratic approach that is inconsistent with the concept of performance management as a flexible and evolutionary, albeit coherent, process that is applied by managers working with their teams in accordance with the circumstances in which they operate. As such, it involves managers and those whom they manage acting as partners, but within a framework that sets out how they can best work together.

Performance Management Cycle Performance management can be described as a continuous self renewing cycle.

The main activities are

- (a) **Role definition.** In this key results areas and capability requirements are discussed between employee and the manager. Role definition sets out three things: (a) purpose of the role (b) key results areas or principal accountabilities (c) key capabilities, which indicate what the role holder has to be able to do and the behaviour required for performing the role effectively.
- (b) **The Performance Agreement or the Contract.** This defines expectations—what the individual has to achieve. An agreement usually includes: objectives and standard performance, capability profiler, performance measure and indicators, capability assessment, core values or operational requirements.



Source: 'Performance Management: Key Strategies and Practical Guidelines' by Michael Armstrong (2000)

Figure 10.4 *The Performance Management Cycle*

- (c) **The Personal Development Plan.** This elucidates the actions an individual takes to develop himself during the year.
- (d) **Managing Performance throughout the Year.** Action taken by individuals to attain the objectives as per contract and personal development plan. It involves setting directions, monitoring, measuring and taking corrective actions.
- (e) **Performance Review.** This is a formal evaluation. Concentration should not be on what has happened but why it has happened.

Tidbits

SMART

Many organisations use the "SMART" mnemonic to summarise the criteria for objectives.

'S' – **Specific** - clear, unambiguous, straight forward, understandable and challenging

'M' – **Measurable** – quantity, quality, time and money

'A' – **Achievable** – challenging but within the reach of a competent and committed person

'R' – **Relevant** – relevant to the objectives of the organisation so that the goal of the individual is aligned to corporate goals.

'T' – **Time framed** – to be completed within an agreed time scale

Objectives Objectives describe something that has to be accomplished. Objective setting that results in an agreement on what the role holder has to achieve is an important part of the performance management processes of defining and managing expectations, and forms the point of reference for performance reviews. Objectives can be classified as:

- *Ongoing role or work objectives*—All roles have built-in objectives that may be expressed as key result areas in a role profile.
- *Targets*—These define the quantifiable results to be attained as measured in such terms as output, throughput, income, sales, and levels of service delivery, cost reduction and reduction of reject rates.

- *Tasks/ projects*—Objectives can be set for the completion of tasks or projects by a specified date or to achieve an interim result.
- *Behaviour*—Behavioural expectations are often set out generally in competency frameworks but they may also be defined individually under the framework headings.

Many organisations use the “**SMART**” mnemonic to summarise the criteria for objectives.

Performance Management and Values Performance is about upholding the values of the organisation—‘living the values’. This is an aspect of behaviour but it focuses on what people do to realise the core values such as concern for quality, concern for people, concern for equal opportunity and operating ethically. It means converting espoused values into values in use: ensuring that the rhetoric becomes reality.

Managing Expectations Performance management is essentially about the management of expectations. It creates a shared understanding of what is required to improve upon performance and how this will be achieved by clarifying and agreeing upon what people are expected to do and how they are expected to behave. It uses these agreements as the bases for measurement and review, and preparation of plans for performance improvement and development.

Performance Management and Discretionary Behaviour Performance management is concerned with the encouragement of productive discretionary behaviour. As defined by Purcell and his team at Bath University, School of Management (2003):

‘Discretionary behaviour refers to the choices that people make about how they carry out their work and the amount of effort, care, innovation and productive behaviour they display.’

Purcell and his team, while researching the relationship between HR practices and business performance, noted that ‘the experience of success seen in performance outcomes helps reinforce positive attitudes’.

Measuring Performance in Achieving Objectives Measurement is an important concept in performance management. It is the basis for providing and generating feedback, it identifies where things are going well to provide the foundations for building further success, and it indicates where things are not going so well, so that corrective action can be taken.

Measuring performance is relatively easy for those who are responsible for achieving quantified targets, for example, sales. But this difficulty is alleviated if a distinction is made between the two forms of results—outputs and outcomes.

An output is a result that can be measured quantifiably, while an outcome is a visible effect that is the result of effort but cannot necessarily be measured in quantified terms.

There are components in all jobs that are difficult to measure quantifiably as outputs. But all jobs produce outcomes even if they are not quantified. It is therefore often necessary to measure performance with reference to what outcomes have been attained in comparison with what outcomes were expected, and the outcomes may be expressed in qualitative terms as a standard or level of competency to be attained.

Performance Measure The Chartered-Institute of Personnel and Development survey of performance management in 2003 (Armstrong and Baron, 2004) revealed that in order of importance, the following performance measures were used by the respondents:

- Achievement of objectives
- Competence
- Quality
- Contribution to team
- Customer care
- Working relationships

- Productivity
- Flexibility
- Skills/learning targets
- Aligning personal objectives with organisational goals
- Business awareness
- Financial awareness

Tools of Performance Management

The major tools used for performance management are discussed in succeeding paragraphs.

Performance and Development Reviews Many organisations without performance management systems operate ‘appraisals’ in which an individual’s manager regularly (usually annually) records performance, potential and development needs in a top-down process. It can be argued that the perceived defects and the line manager’s disregard for the performance appraisal led to the development of more rounded concepts of performance management. Nevertheless, organisations with performance management systems need to provide those involved with the opportunity to reflect on past performance as a basis for making development and improvement plans, and the performance and development review meeting provides this chance. These meeting must be constructive, and various techniques can be used to conduct the sort of open, free-flowing and honest interactions needed, with the review doing most of the talking.

Judgemental Criteria Judgement about other’s work is quite complex, and can be extremely unrealistic if the judge lacks objectivity, capacity to judge the performance, sufficient time to observe, and knows in advance what he is judging. It can be said that in the hands of a judicious, qualified and a well trained person such judgments can reach very close approximation of objectivity. When such a judgment is obtained from a supervisor it is called *supervisory judgement*, when done by peers it is called *peer judgment*, and by self then it is referred to as *self judgement*.

Methods of Employee Evaluation Some of the traditional methods of Performance appraisal are:

- (a) Ranking method
- (b) Graphic Rating
- (c) Forced Choice Rating Method.
- (d) Confidential Reports
- (e) Essay

Ranking Method Oberg (1972) and Monga (1983) have listed some of the important ranking methods.

- (a) **Alteration Ranking Method** The individual with the best performance is chosen as the ideal employee. Other employees are then ranked against this employee in descending order of comparative performance on a scale of best to worst performance. The alteration ranking method usually involves rating by more than one assessor. The ranks assigned by each assessor are then averaged and a relative ranking of each member in the group is determined. While this is a simple method, it is impractical for large groups. In addition, there may be wide variations in ability between ranks for different positions.
- (b) **Paired Comparison** Under this method the appraiser compares each employee with every other employee one at a time. The paired comparison method systematises ranking and enables better comparison among individuals to be rated. The evaluations received by each person in the group are counted and turned into percentage scores. The scores provide a fair idea as to how each individual in the group is judged by the assessor.
- (c) **Person-to-person Rating** In the person-to-person rating scales, the names of the actual individuals known to all the assessors are used as a series of standards. These standards may be defined as lowest,

low, middle, high and highest performers. Individual employees in the group are then compared with the individuals used as the standards, and rated for a standard where they match the best. The advantage of this rating scale is that the standards are concrete and are in terms of real individuals. The disadvantage is that the standards set by different assessors may not be consistent.

- (d) **Checklist Method** Developed by Thurstone for measuring attitudes, in this method the assessor is furnished with a checklist of pre-scaled descriptions of behaviour, which are then used to evaluate the personnel being rated (Monga, 1983). The scale values of the behaviour items are unknown to the assessor, who has to check as many items as she or he believes describe the worker being assessed. A final rating is obtained by averaging the scale values of the items that have been marked.
- (e) **Behaviourally Anchored Rating Scales (BARS)**. This is a relatively new technique. It consists of sets of behavioural statements describing good or bad performance with respect to important qualities. These qualities may refer to inter-personal relationships, planning and organising abilities, adaptability and reliability. These statements are developed from critical incidents collected from both the assessor and the subject.

Graphic Rating A graphic scale 'assesses a person on the quality of his or her work (average; above average; outstanding; or unsatisfactory)'. Although graphic scales seem simplistic in construction, they have application in a wide variety of job responsibilities and are more consistent and reliable in comparison with essay appraisal. The utility of this technique can be enhanced by using it in conjunction with the essay appraisal technique.

Forced-Choice Rating Method The forced-choice rating method does not involve discussion with supervisors. This technique has several variations—the most common method is to force the assessor to choose the best and worst fit statements from a group of statements. These statements are weighted or scored in advance to assess the employee. The scores or weights assigned to individual statements are not revealed to the assessor so that she or he cannot favour any individual. In this way, the assessor bias is largely eliminated and comparable standards of performance evolved for an objective. However, this technique is of little value wherever performance appraisal interviews are conducted.

Confidential Reports The Annual Confidential Reports (ACRs) are written with a view to adjudge individual performance every year in the areas of their work, conduct, character and capabilities. This is the most popular method in government. The system of writing confidential reports has two main objectives. First and foremost is to improve upon performance of the subordinates in their present job. The second is to assess their potentialities and to prepare them for the jobs suitable to their personality. The columns of ACRs are, therefore, to be filled up by the reporting, reviewing and accepting authorities in an objective and impartial manner.

Essay Type The assessor writes a brief essay providing an assessment of the strengths, weaknesses and potential of the subjects. In order to do so objectively, it is necessary that the assessor knows the subjects well and should have interacted with them. Since the length and contents of the essays vary between assessors, essay ratings are difficult to compare.

Learning and Development Employee development is the main route followed by most organisations to improve organisational performance, which in turn requires an understanding of the processes and techniques of organisational, team and individual learning. Performance reviews can be regarded as learning events, in which individuals can be encouraged to think about how and in which ways they want to develop. This can lead to the drawing up of a personal development plan (PDP) setting out the actions they propose to take to develop themselves. To keep development separate from performance and salary discussions, development reviews may be held at other times.

Making Ratings Reliable

Error of Leniency and Central Tendency Leniency error is due to the tendency of a rater assigning higher ratings to most individuals. The ratings tend to cluster closely around the average or the central point.

Halo Error It is the influence that a rater's general impression of an individual has upon his ratings of that individual or on specific traits.

Contrast and Similarity Error The tendency of the raters to judge others in manner opposite from what he perceives. It can also be similarity error.

Constant Error The error that occurs due to a difference in rater's standards and not due to the difference in performance is called constant error.

Recency Error Most ratings are for duration. Ideally they represent the average, typical behaviour for a period. However, ratings are based on most easily remembered i.e., recent behaviour.

Subjectivity Personal bias and prejudices affect the capability of an individual. No individual is capable of judging the others entirely independent of his values, prejudices, stereotypes and all types of inappropriate criteria introduced in the evaluation process.

Overgeneralisation Behaviour exhibited at one place and situation is conveyed as exhibited all the time and in all situations.

Expectations Psychologists found that people tend to judge others from key words. Hence information obtained at the beginning of the ratings affect judgment.

Increasing emphasis on talent management also means that many organisations are re-defining performance management to align it to the need to identify, nurture and retain talent. Development programmes are reflecting the needs for succession plans and seeking to foster leadership skills. However, too much of an emphasis on talent management may be damaging to overall development needs and every effort needs to be made to ensure that development is inclusive, accessible and focused on developing organisational capability.

Coaching Coaching is an important tool in learning and development. Coaching is developing a person's skills and knowledge so that their job performance improves, leading to the achievement of organisational objectives. Coaching is increasingly recognised as a significant responsibility of line managers, and can play an important part in a personal development plan. They should take place during the review meetings, but also and more importantly should be carried out throughout the year. For some managers coaching comes naturally, but for many it may not and training may be needed to improve their skills.

Competency and Performance Mapping

Hay-Mcber Company founder David McClelland, a Harvard University psychologist in the late 1960s, pioneered competency methodology. His research helped to identify performance aspects not attributable to a worker's intelligence or degree of knowledge and skill. McClelland's article appeared in *American Psychologist* in 1973, entitled "Testing for Competence Rather than for Intelligence".

Competency mapping is a process through which one assesses and determines one's strengths as an individual worker and in some cases, as part of an organisation. It generally examines two areas: *emotional*

intelligence or *emotional quotient (EQ)*, and strengths of the individual in areas like team structure, leadership, and decision-making. Large organisations frequently employ some form of competency mapping to understand how to most effectively employ the competencies of strengths of workers. They may also use competency mapping to analyse the combination of strengths in different workers to produce the most effective teams and the highest quality work.

Hogg, B. (1989) defined competencies as ‘the characteristics of a manager that lead to the demonstration of skills and abilities, which result in effective performance within an occupational area. Competency also embodies the capacity to transfer skills and abilities from one area to another.’

Competency for a job can be defined ‘*as a set of human attributes that enable an employee to meet and exceed expectations of his internal as well as external customers and stakeholders.*’

Competency Mapping is a process of identifying key competencies for an organisation and/or a job and incorporating those competencies throughout the various processes (i.e., job evaluation, training, recruitment) of the organisation.

Competency Characteristics Competency mapping is a signal from the organisation to the individual of the expected areas and levels of performance. They provide the individual with a map or indication of the behaviours that will be valued, recognised and in some organisations rewarded. Competencies can be understood to represent the language of performance in an organisation, articulating both the expected outcomes of an individual’s efforts and the manner in which these activities are carried out. The various competencies required by employees are:

- **Motives** The things a person consistently thinks about or wants and that which causes action; motives ‘drive, direct or select’ behaviour to a situation, and/or an information
- **Traits** Physical characteristics and consistent responses to situation, and/or information
- **Self-concept** A person’s aptitude, attitudes and self image
- **Knowledge** The information a person has in specific content areas
- **Skill** The ability to perform a certain physical and mental task

Knowledge and skill competencies tend to be visible and relatively ‘on the surface’ characteristics of people. Self-concept, trait, and motive competencies are more hidden, ‘deeper’ and central to personality.

Developing Competency Models A competency model emerges out of a well-designed job analysis. The job analysis should, at its starting point, carefully consider the work (tasks) that is done on the job. After cautiously describing the work, subject matter experts’ incumbent surveys, or other data-collection methods should be used to identify which Knowledge, Skills and Abilities (KSAs) are required to perform that work. These KSAs might very well be the competencies, or the KSAs might be clustered together to form slightly broader competencies. A final and very important step is to collect data from subject matter experts or incumbents in which they link the work and the competencies together. Many organisations that have had their competency models challenged in court have been able to successfully defend themselves with such data.

According to Chartered Institute of Personnel and Development’s 2007 *Learning and Development Survey*, the most popular names found in employer competency frameworks are (in order):

- Communication skills
- People management
- Team skills
- Customer service skills
- Results-orientation
- Problem-solving.

Competency frameworks can be developed in a number of ways. It is possible to draw on the competency lists produced in support of occupational standards and the framework of National Vocational Qualifications. Frameworks developed in this way are often linked with progression towards recognised qualifications. Competency lists are available on the web and these will come from a variety of sources. Many organisations develop their competency frameworks through an internal research programme, sometimes aided by advisers from an external consultancy. Methods of developing a framework range from importing an existing off-the-shelf package through to developing the entire thing from scratch. The best solution usually lies between these two extremes, namely internally generating a framework that builds in business relevance, but doing this by adapting existing models that have already been widely used and have proved successful.

Formation of Competency Framework Competency models are position models, which are at the heart of competency-based HR application. The bases of generating competency model are the processes. If the flowcharts of the job are laid, determining the competencies is easier. If competencies are not related to the specific process step, the model is not valid.

Sources of Competency Information

1. *By Assumption* Certain competencies are assumed to be present in every employee.
2. *By Law of the Land* The Government and its associated regulatory agencies create requirements that apply to all workers.
3. *By Industry* Individual industry has its own professional competency models and assessment approaches.
4. *By Organisation* The vision and mission statement of the organisation reflects its overall philosophy.
5. *By Work Group* Departments in many organisations especially large have their own vision and mission statements.
6. *By Background Information* A special category of competency inputs for models comes with background knowledge of the company and industry in general.

The above inputs are generated from

1. *Position Documentation* Industry research, vendor information, customer feed back, certification and quality programmes all contribute towards position documentation.
2. *Process Documentation* These are primarily the procedures manuals, flowcharts, time logs and job task analyses.
3. *Existing Documentation* Job descriptions, union contracts, departmental planning documents, performance plans, and appraisal forms are existing documents.
4. *Personal Development Process* Training and development department is an excellent source of information on competencies.
5. *Interviews/Behavioural Event Interview/Behavioural Description Interview* Interviews in all forms generate information for mapping competencies.
6. *Benchmarking* Whether interviews or feedback, the important parameter in the development of the models is by creating a benchmark of those employees who exceed and fall below performance standards.

Measure Competency Mapping Methods There are five methods followed in most organisations.

- A. Assessment Center
- B. Critical Incidents Technique
- C. Interview Techniques
- D. Questionnaires
- E. Psychometric Test

Elements as Identified by the International Personnel Management Association

- A job analysis of relevant behaviour should be conducted to determine attributes, skills etc. for effective job performance and what should be evaluated by the assessment center
- Techniques used must be validated to assess the dimensions of skills and abilities.
- Multiple assessment techniques must be used.
- Assessment techniques must include job related simulation.
- Multiple assessors must be used for each assessed.
- Assessors must be thoroughly trained.
- Behavioral observations by assessors must be classified into some meaningful and relevant categories of attributes, skills and abilities, etc.
- Systematic procedures must be used to record observations.
- Assessors must prepare a report.

Assessment Centres Assessment center is a mechanism to identify the potential for growth. It is a procedure (not location) that uses a variety of techniques to evaluate employees for human resource purposes and decisions. An essential feature of the assessment centre as used by our organisations is the use of situational tests to observe job-specific behaviour. Since it is with reference to a job, elements related to the job are simulated through a variety of tests. The assessors observe that behavior and make an independent evaluation of what they have observed, which results in identifying strengths and weaknesses of the attributes being studied.

The organisation follows the elements as identified by the International Personnel Management Association (IPMA) for a process to be considered as an assessment centre.

All information thus generated is integrated either by discussion or application of statistical techniques. Assessment center comprises a number of exercises or simulation which has been designed to replicate the task and demands of the jobs and to assess the strength and weakness and the potential of employees.

1. **Group Discussion** In this candidates are brought together as a committee or a project team with one or a number of items to make a recommendation on. Candidates may be assigned specific roles to play in the group or it may be structured in such a way that all the candidates have the same basic information. Group discussions allow them to exchange information and ideas and give them the experience of working in a team. In the work place, discussions enable the management to draw on the ideas and expertise of the staff, and to acknowledge the staff as valued members of a team. Some advantages of group discussion are:

- Ideas can be generated.
- Ideas can be shared.
- Ideas can be tried out.
- Ideas can be responded to by others.

When the dynamics are right, groups provide a supportive and nurturing environment for academic and professional endeavour. A useful strategy for developing an effective group discussion is to identify task and maintenance roles that members can take up.

2. **In Tray** This type of exercise is normally undertaken by the candidates individually. The materials comprise of a bundle of correspondence and the candidate is placed in the role of someone, generally,

who assumed a new position or replaced his or her predecessor at short notice and has been asked to deal with their accumulated correspondence.

3. **Interview Simulation/Role Plays** In these exercise candidates meet individually with a role player or resource person. Their brief is either to gather information to form a view and make a decision, or alternatively to engage in a discussion with the resource person to come to a resolution on an aspect or issue of dispute.
4. **Case Studies/Analysis Exercises** In this type of exercise the candidates are presented with the task of making a decision about a particular business case. They are provided with a large amount of factual information which is generally ambiguous and, in some cases contradictory. Candidates generally work independently on such an exercise and their recommendation or decision is usually to be communicated in the form of brief written report and/or a presentation made to the assessors.

Critical Incident Technique Despite numerous variations in procedures for gathering and analysing critical incidents, researchers and practitioners agree that critical incidents techniques can be described as a set of procedures for systematically identifying the behavior that contributes to the success or failure of an individual or an organisation in a specific situation. First of all, a list of good and bad of the job behavior is prepared for each job. A few judges are asked to rate how good and how bad is good and bad behavior, respectively. Based on these rating a check-list of good and bad behavior is prepared.

The next task is to train the supervisor in taking notes on critical incidents or outstanding examples of success or failure of the subordinates in meeting the job requirements. The incidents are to be immediately noted down by the supervisor as he observes them. Very often the employee concerned is also involved in discussion with his supervisor before the incidents are recorded, particularly when an unfavorable incidents is being recorded, thus facilitating the employee to come out with his side of the story.

The objective of immediately recording the critical incidents is to improve the supervisor's ability as an observer and also to reduce the common tendency to rely on recall and hence, the attendant distortions in the incidents. Thus a balance sheet for each employee is generated which can be used at the end of the year to see how well the employee has performed. Besides being objective a definite objective of this technique is that it identifies areas where counseling may be useful.

Interview Techniques An organisation uses the interview in some shape or form as a part of competency mapping. The interview consists of interaction between interviewer and applicant. An interview should be handled carefully to make it a powerful technique for achieving accurate information and getting access to material otherwise unavailable. Biasness and restriction or distortion of flow of information is avoided as much as possible while interviewing.

Questionnaires Questionnaires are a written list of questions that users fill out and return. Assessors formulate questions about services based on the type of information they want. The questionnaire sources below provide more information on how we design questions. These techniques are used at various stages of development, depending on the questions that are asked in the questionnaires.

- **Common Metric Questionnaire (CMQ)** These examine some of the competencies to work performance and have five sections—background, contacts with people, decision making, physical and mechanical activities, and work setting.
- **Functional Job Analysis** The most recent version of functional job analysis uses seven scales to describe what workers do in jobs. The seven scales are: things, data, people, worker instructions, math, and language. Each scale has several levels that are anchored with specific behavioral statements and illustrative tasks and are used to collect information.

The Seven –S Model

McKinsey & Co has proposed the Seven-S Model for successful strategy implementation. McKinsey consultants found that neglecting any of the one seven key factors could make the effort change into a slow painful, and even doomed process.

Structure The McKinsey consultants point out that in today's complex and ever changing environment, a successful organisation may make temporary structural changes to cope with specific strategic tasks without abandoning basic structural divisions throughout the organisation.

Strategy The Seven-S model emphasises that, in practice, the development of strategy poses less of a problem than its execution.

Systems This category consists of all formal and informal procedures that allow the organisation to function.

Style 'Style' refers to the pattern of substantive and symbolic actions undertaken by managers. It communicates priorities more clearly than words alone, and may profoundly influence performance.

Staff. Successful organisations view people as valuable resources who should be carefully nurtured, developed, guarded and allocated. Top managers devote time and energy to planning the progress and participation of existing managers, and use job assignment policies to actively foster the development of new managers.

Skills The term 'skills' refers to the activities the organisation does best and for which it is known. (DuPont is known for Research.) Strategic changes may require an organisation to add one or more new skills.

Superordinate Goals. This refers to guiding concepts, values, and aspirations and unites an organisation in some common purpose.

Superordinate goals are often captured in mission statement, but they can also be phrased as a simple slogan.

- **Multipurpose Occupational System Analysis Inventory (MOSAIC)** In this method each job analysis inventory collects data from the office of personnel management system through a variety of descriptors—mainly tasks and competencies.
- **Occupational Analysis Inventory** It contains 617 'work elements' designed to yield more specific job information while still capturing work requirements for virtually all occupations. Major categories of items are five folds—information received, mental activities, work behavior, work goals and work context.
- **Position Analysis Questionnaires (PAQ)** It is a structured job analysis instrument mostly followed by an organisation to measure job characteristics and relate them to human characteristics. It consists of 195 job elements which fall into the following five categories.
 - Information input (where and how the workers get information)
 - Mental processes (reasoning and other processes that workers use)
 - Work output (physical activities and tools used on the job)
 - Relationship with other people and
 - Job context (the physical and social context of work)

- **Work Profile System (WPS).** It is designed to help employers accomplish human resources functions. The competency approach is designed to yield reports targeted towards various human resources functions such as individual development planning, employee selection, and job description.

Competency mapping becomes essential for every organisation to achieve excellence, gain competitive advantage, and renew them through proper restructuring. Today it is essential to leverage human potential with respect to competency to understand both existing competencies and gaps, if any.

POTENTIAL APPRAISAL

Potential appraisal is another powerful tool of employee development. Whether managers realise it or not, they are accustomed to making potential assessments. Every time a manager recommends or fails to recommend an employee for a promotion, a potential assessment has, in fact, been made. The process of assessing the managerial potential of employees deals with the question of whether or not they have the ability to handle positions in the future which involve considerably more responsibility than what they have right now. As long as individuals are viewed as being able to handle increased or different responsibilities, they would be considered to have potential (either latent or visible).

Potential appraisal may thus be defined as a process of determining an employee's strengths and weaknesses with a view to using this as a predictor of his future performance. This helps to determine the promotability of an individual to a higher position and helps chalk out his career plan.

The fundamental difference between reviewing performance and assessing potential is in the criteria used. In reviewing performance, the criteria used is what goals the employee has achieved and what skills he or she currently possesses that could be the indicators of his or her ability to assume different or more advanced responsibilities. Managers cannot rely exclusively on past performance since a person's ability to adequately handle one level of responsibility does not necessarily mean that he or she can perform well in a position of a higher level or different responsibility. It is this that makes potential appraisal a very crucial and critical area. If an employee without requisite abilities is promoted to a higher position and does not perform as per expectations, then it becomes impossible to demote him. Thus, he or she is unable to perform at the higher level and becomes a 'passenger' in the system.

If potential appraisal is not done in a planned manner, you may promote an undeserving employee. As a consequence, he or she does not succeed but would not accept a demotion back to his old slot. Thus, in a bid to develop a territory manager out of a super-salesman, and not doing it properly, you lose both in the process. But if implemented well, professional performance and potential appraisal could take the organisation on a fast development track and faster productivity through people.

BALANCED SCORECARD

The balanced scorecard is a strategic planning and management system that is used extensively in business and industry, government, and nonprofit organisations worldwide to align business activities to the vision and strategy of the organisation, improve internal and external communications, and monitor organisation performance against strategic goals. It was originated by Dr Robert Kaplan (Harvard Business School) and Dr David Norton as a performance measurement framework that added strategic non-financial performance measures to traditional financial metrics to give managers and executives a more 'balanced' view of organisational performance. While the phrase 'balanced scorecard' was coined in the early 1990s, the roots of this type of approach are deep, and include the pioneering work of General Electric on performance measurement reporting in the 1950s and the work of French process engineers (who created the Tableau de Bord – literally, a 'dashboard' of performance measures) in the early part of the 20th century.

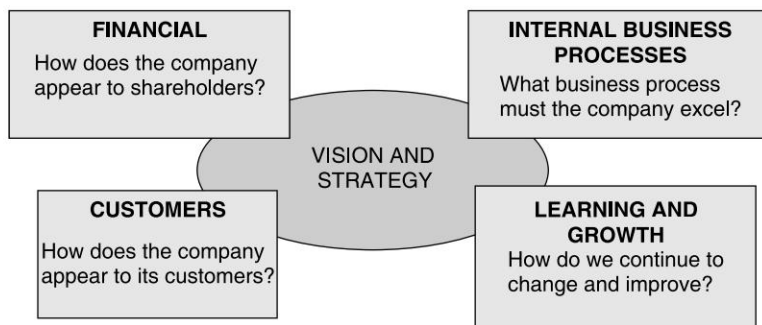
Definition

Kaplan and Norton describe the innovation of the balanced scorecard as follows:

‘The balanced scorecard retains traditional financial measures. But financial measures tell the story of past events, an adequate story for industrial age companies for which investments in long-term capabilities and customer relationships were not critical for success. These financial measures are inadequate, however, for guiding and evaluating the journey that information age companies must make to create future value through investment in customers, suppliers, employees, processes, technology, and innovation’.

What is Balanced Score Card?

The balanced score card can be understood as a management system, which is structured according to the logic of the cybernetic management circle, i.e., ‘plan-do-check-act’. Kaplan and Norton position the balance score card as a tool for organisations to manage the demands of relevant stakeholders and to translate strategies into action (‘from strategy to action’). Possible stake holders that are strategically relevant could be shareholders, customers or employees. Their demands are integrated into core management of companies within a ‘financial’, ‘customer’ or ‘learning’ or ‘process’ perspective. See Figure 10.5. Each perspective consists of relevant strategic goals, indicators and measures to achieve them. One should emphasise upon the fact that the concept remains open for integrating further relevant stakeholders and perspectives.



Source: Adapted from Kaplan & Norton (1997), p. 9.

Figure 10.5 *The Balanced Scorecard Approach*

In the predominant ‘financial perspective’, objectives similar to traditional system of management and accounting are included to depict the financial performance of the company. In contrast to traditional management instruments, the balanced score card concept stresses upon the importance of the ‘value drivers’ for future profitability. The ‘customer perspective’ aims at the identification of relevant customers and market segments that contribute to financial goals. In the dimension of ‘internal processes’ firms should identify the structure efficiently, the internal value driving processes that are vital regarding the goals of customers and shareholders, e.g., innovation, production, after sales, etc. (Kaplan & Norton, 1997, p. 89).

Human resource being an underlying strategic factor of success, Kaplan and Norton suggest a perspective for ‘learning and development’ that tries to depict all staff and organisation-related aspects that are important, regarding organisational re-engineering processes (Weber & Schäffer 2000, p. 201).

Benefits of Balanced Score Card

The major benefits of a balance score card are that it helps in

- (a) tracking performance and measure fulfillment of business goals
- (b) obtaining real-time overviews of *key performance indicators* that will allow you to take immediate action
- (c) evaluating overall business performance according to your strategic plan.

Stewart (1997) summarises a number of methods for measuring *intellectual capital*. He divides his overview in measures that attempt to capture intellectual capital ‘as a whole’ and those that focus on its components. Measures of the whole include

- Market-to-book ratios—which simply compare the difference between published historical cost book value and the market value of the firm
- Tobin’s Q—which relates the market value of the company to the replacement cost of its fixed assets and defines the difference as the value of intellectual capital and
- Calculated intangible value (CIV)—which computes the value of the intangible assets by a comparison between the company’s performance and that of an average competitor who has similar tangible assets.

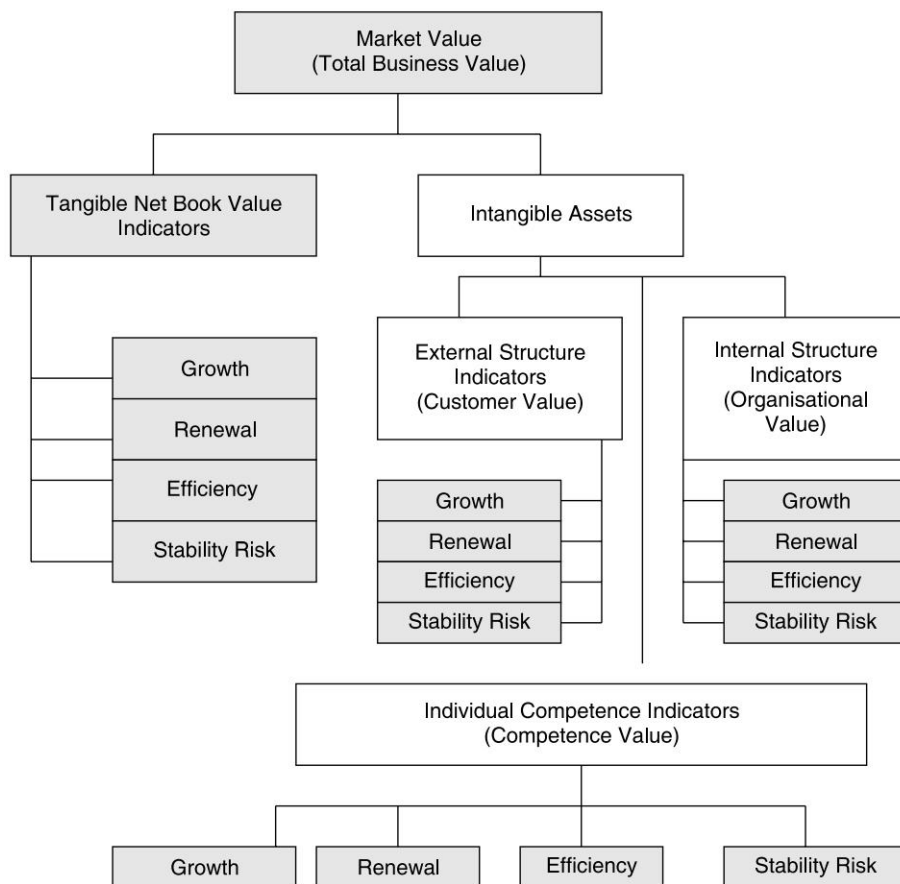


Figure 10.6 *The Intangible Asset Monitor*

EXERCISE

REVIEW QUESTIONS

1. What do you understand by performance appraisal? Discuss its benefit to an industrial organisation.
2. How can we integrate individual performance with the performance management system of an organisation? Do we at all require performance appraisal systems? Justify.
3. Traditional performance appraisal systems emphasises on assessing the individual performance as an isolated factor. Briefly discuss the newer techniques of performance appraisal, critically reviewing the shortcomings of the traditional system.
4. Discuss the effectiveness of MBO and BARS in performance appraisal. Develop KRAs for an HR manager of an organisation and identify five important performance criteria for assessing the performance on a six point BARS.
5. Write short notes on the following:
 - (i) Checklist method
 - (ii) Straight ranking method
 - (iii) Critical incident method
 - (iv) Group appraisal method.
6. 'MBO' is the modern method for evaluation of workers performance.' Explain MBO with its process.
7. What do you understand by 360° performance appraisal system?
8. Write notes on the following:
 - (i) BARS
 - (ii) Assessment centre
 - (iii) Human resource accounting

FILL IN THE BLANKS

1. Performance management is process which contributes to the _____ management of individuals and teams in order to achieve high levels of organizational performance.
2. The _____ of performance management is not restricted to an individual, it encompasses managing an organization.
3. Balanced score card concept stresses the importance of the _____ for future profitability.
4. The fundamental difference between reviewing performance and assessing potential is in the _____ used.
5. Assessment center is a mechanism to identify the _____ for growth.
6. Measurement is an important _____ in performance management.
7. _____ review of a person's work is termed as performance management.
8. _____ is the third step of performance management process.
9. _____ approach focused only on the past performance of the employees during a past specified period of time.
10. Appraisals have become ongoing and periodic activity in the organisations is the _____ approach.
11. Under _____ method, individual is compared on the basis of every trait with other individuals in their group.
12. BARS stands for _____.
13. The concept of 'Management by Objectives' (MBO) was first given by _____.
14. _____ is "a process whereby the superior and subordinate managers of an organization jointly identify its common goals, define each individual's major areas of responsibility in term as of result expected of him and use these measures as guides for operating the unit and assessing the contributions of each its members".
15. 360° appraisal has four important elements are _____, superior's appraisal, subordinate's appraisal, and peer appraisal.

PROJECT WORK

1. Critically review the performance appraisal system in India. Elaborate your answer visiting at least two organisations.
2. Develop a standard performance appraisal form for supervisors in an organisation, selecting at least ten factors for review. Recommend your proposed development plan for such supervisors based on your review.

ANSWERS TO FILL IN THE BLANKS

- | | | |
|-------------------|---------------------------------|--|
| 1. Effective. | 2. Scope | 3. 'Value drivers'. |
| 4. Criteria | 5. Potential. | 6. Concept |
| 7. Systematic | 8. Measuring actual performance | 9. Traditional |
| 10. Traditional | 11. Paired comparison | 12. Behaviourally anchored rating scales |
| 13. Peter Drucker | 14. 360 degree feedback | 15. Self-appraisal |

Chapter 11

Training and Development

LEARNING OBJECTIVES

After reading this chapter, you will be able to understand

- Nature and concept of training
- Need and importance of training
- Objectives of training
- Designing training
- Methods of training
- Evaluation of training

INTRODUCTION

In the present competitive, high-tech, global and dynamic environment it is imperative that a company keeps improving upon its products and services, and builds and sustains competencies that would provide it with sustained competitive advantage. The need for advanced skills and tools is a critical issue facing both the employer and employee. Dynamic and growth oriented organisations adopt a strategic and planned approach towards the maintenance of human resources. In this knowledge era, where human assets are the biggest assets it is imperative that their skills are developed and their knowledge is constantly increased, and hence, training has assumed added importance.

We can find this distinction between training and education in Widdowson's (1983, 19) arguments in language learning in general.

'... that the difference between training and education is ... that training seeks to impose a conformity to certain established patterns of knowledge and behaviour, usually in order to carry out a set of clearly defined tasks ... Education, however, seeks to provide for creativity whereby what is learned is a set of schemata and procedures for adapting them to cope with problems which do not have a ready-made, formulaic solution'.

Training is viewed as an organisational investment; hence, getting a satisfactory return on investment means linking the training function and activities with the company's overall business activity. If organisations want a highly motivated, up to date, creative and productive workforce, they need to start and build strategy for the future. This strategy has to recognise that corporate performance is totally dependent upon the performance of the people employed in an organisation. This leads to clear commitment from the management to invest in their people through training.

NEED AND RATIONALE OF TRAINING

Each individual is different and his performance therefore, has to be different. Campbell, McCloy, Oppler and Sager (1993) argued that it is useful to think of the different individual determinants as direct and indirect. There are three kinds of direct determinants *viz.* knowledge, skills and volitional behaviour. The performance on a particular factor can be improved upon by enhancing the job relevant skill, or by developing advantageous behaviour such as being regular, working hard, etc.

The three direct determinants of performance are dependent on indirect determinants, one of which are training to enhance knowledge and skills and motivational nature enhancements such as rewards, threats etc., for volitional behaviour. Training then is an attempt to enhance performance relevant knowledge, skill and or choice behaviour *via* instructions (Campbell and Kuncell 2001, p. 277).

The need for training can be broadly divided into two *viz.* organisational requirements and individual needs (Figure 11.1).

Organisational Requirements

Modern organisations are well aware that their real value is in the quality of its workforce and hence, they endeavour to upgrade skills of their workforce to maintain the competitive edge. An organisation also keeps on adding and upgrading technology and this requires upgrading of the skills of the employees who have to make the optimum use of it.

- (a) The organisation must keep upgrading processes by training personnel in new methods and procedures.
- (b) The customers have become quality conscious, this requires constant efforts on part of the organi-

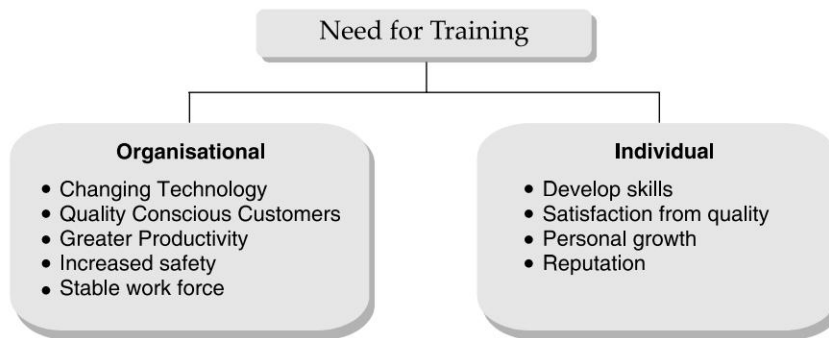


Figure 11.1 *Need for Training*

sation to maintain and improve upon quality to retain existing customers and secure some more from others.

- (c) It should be remembered that a trained and skilled employee is more efficient and hence, is able to produce quantity with quality.
- (d) Training enhances safety and reduces accidents. This in turn raises the reputation of the company in the market as also limits costs in terms of litigations, damages to injured workers and costs of replacement of man and machine.

Tidbits

Knowledge and Skills Critically Important to Function Effectively in 21st Century

1. Literacy and Numeric Skills
 2. Mathematical Ability, Science and Technology Skills
 3. Cognitive Skills
 4. Interpersonal and Team Work Skill/Management Skills
 5. Choice Behaviour and Attitudinal Skills
 6. Communication Skills
- In India one more skill is of importance, i.e., Language Skills

*Singh, Narendar (2008);
O'Neil, Allred and Baker (1997)*

Individual Needs

Every individual who joins an organisation seeks career, growth and reputation. In order to ensure that he does not become redundant and maintains an edge over peers and other fellow workers, he needs constantly upgrade skills to utilise the technology, produce quality product and at a competitive price. He therefore, has to constantly learn, relearn and upgrade his skills to maintain an edge in his performance. *This is an era of constant learning and relearning, and an individual can ignore training only at his own risk.*

Managers are Different

Why are the managers different?

Managers in an organisation differ from other employees and are partly defined by having a status which provides benefits (such as advantageous share option schemes or special bonuses) not available to other employees. Managers at board level or just below it, have major strategic responsibilities. They are likely to respond to many learning and

development issues just like any other people in the organisation, but there are significant factors about this group of managers that makes them genuinely different from the rest of the employees.

- **Status** Managers wield power, and hence, they are likely to be sensitive to their senior status. Even in relatively egalitarian organisations they are likely to see their development needs as different.
- **Terminology** Many senior managers see training as an activity for junior people and are likely to resent the idea that they can be subject generalised training courses. They may even reject the idea that they need to learn. This has resulted in use of the term ‘development’—not ‘training’ or even ‘learning’.
- **Numbers** Managers are comparatively few in number than the balance of the workforce. Although organisations are getting flatter, most organisations retain a pyramidal hierarchy (even if the pyramids have been flattened over the years). Such a structure must of necessity have few people at the top. This again points away from standardised solutions.
- **Isolation.** A great deal of the learning that goes on in organisations is when people share problems and talk together about solutions. These can vary from a quick conversation at the coffee machine or water cooler to formal team meetings. Many senior managers lack opportunities, especially where they may be burdened with significant problems that they feel unable to talk about to more junior managers. Being at the top of a pyramid structure, these managers may find themselves in an isolated role without a peer group. Very senior people, such as Chief Executive Officers, feel the loneliness in the job and the impossibility of others really understanding the pressures on them. This point is crucially important in thinking about development issues. Sometimes people in middle management roles imagine that, as they report into a senior manager, they understand what the role is like but they may well be in for a shock.
- **Political skills** Senior managers often need highly refined political skills in order to survive. Most organisations would not want to run courses for senior managers on how to be better corporate politicians. Yet, there does need to be some legitimate assistance provided for new senior managers in this area.

MEANING AND NATURE OF TRAINING AND DEVELOPMENT

The verb ‘to train’ is derived from the old French word ‘*trainer*’, meaning ‘to drag’ hence, the English meanings may be to draw along, to cause to grow in the desired manner, to prepare for performance by instructions, practice, etc. Training can be described as ‘providing the conditions in which people can learn effectively’. To learn is to gain knowledge, skills and ability (King, 1968, p. 125). Training is a process through which an individual enhances his efficiency, capacity and effectiveness at work. There are many definitions of training as there are authors.

What is the meaning of training?

Randall L Schuler, *et. al.*, (1989, p. 385) defines training as

‘It is an attempt to improve current or future employee performance by increasing an employee’s ability to perform through learning, usually by changing the employee’s attitude or increasing his or hers skills and knowledge. The need for training and development is determined by the employee’s performance and deficiency computed as follows.

Training and development need = Standard Performance – Actual Performance’

Edwin B Flippo (1989, p. 209) defines training as

‘Training is an act of increasing the knowledge and skills of an employee for doing a particular job.’

According to Chhabra, Ahuja and Jain (1997),

‘Management development is the process by which managers acquire not only skills and competencies in their present jobs but also capabilities for future managerial tasks of increasing difficulty and scope’.

The Aptitude-Treatment Interaction

Cronbach (1957) and Cronbach and Snow made Aptitude-Treatment Interaction (ATI) a virtual icon—the principal message being that all trainees are not alike and some of the characteristics where people differ are correlated with training achievements. Even if all are given the same training, some people will do better than the others as a function of having more or less of the ‘aptitude’ (e.g., cognitive ability, need for achievement, anxiety, self efficacy, level of previously acquired knowledge and skills etc). The ATI of most interest is the case where X (the aptitude) and Y (the criterion variable) is measured in the same way in each group and the regression lines cross.

The major implication is that to maximise aggregate gain across all groups, the same training program should not be given to everyone. Ideally trainees should be assigned training programs based on their X scores.

Management development includes all activities and programme which have substantial influence on changing the capacity of the individual to perform his present assignments better and in doing so are likely to increase his potential for future management assignments.

So management development includes:

- (a) Informal learning or on the job training which is an ongoing process. Informal training is based on work-based methods.
- (b) Formal training courses of various kinds are very specific courses on technical aspects of jobs to courses or on wider management skills.
- (c) Education which might range from courses for (perhaps prospective) junior managers or supervisors, to executive training programmes at institutes.

From the above it would be observed that training brings about a change in skill, knowledge and attitudes of the workers. Training thus can be said as an organised human resource development activity to increase knowledge, hone skills—a systematic procedure of transferring technical know-how to the employees and improving their problem solving abilities. Hence,

Training and development refer to the imparting of specific skills, abilities and knowledge and bring about attitudinal change in an employee.

For purpose of this chapter, training is defined as ‘planned intervention that is designed to enhance the determinants of individual job performance, when an individual functions independently as a member of a team’. Performance is defined as behaviours or actions that are judged relevant for the organisation’s goals and that can be assessed in terms of the level of an individual’s contribution. For virtually any position, job, or occupation, performance is multidimensional and it is reasonable to think in terms of many factors along which individual job holder will be trying to excel.

Concept of Training and Development

The entire philosophy of training and development rests on the principle of *learning and relearning*. Training is the process of increasing knowledge, abilities and skills for doing specific job. It is an organised and a deliberate effort. The responsibility of linkage between training and organisational goals goes far beyond the training function (Harris, 1994). Training is an organised activity and should follow learning oriented guidelines viz., increase knowledge, hone skills, systematic procedure of transferring technical know-how to the employees, improve problem solving ability, develop potential, reinforcement and education.

Formal systematic training involves the following steps (Figure 11.2):

- Assessing the requirements, skills and abilities needed by learners
- Designing the training, including identifying learning goals
- Developing training methods and materials
- Implementing the training
- Evaluating whether the objectives set have been achieved

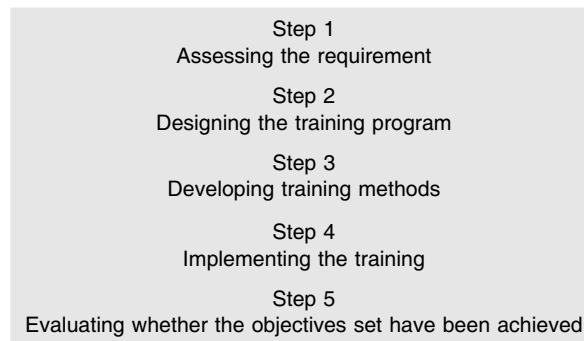


Figure 11.2 *Steps for Formal Training*

Determining Training Needs

By definition, training needs reflect current or anticipated deficiencies in determinants of performance that can be remedied, at least in part, by a training intervention. Training needs exist in number of contexts:

- (a) Current job holder is deficient in terms of performance
- (b) Employees eligible for promotion. Promotion is a function of high performance on a particular performance component, and hence, management may offer employees training on those components.
- (c) Certain components of performance may be important for the future.

Ideally the need assessment has three steps:

- (a) A description of factors that have effective performance
- (b) Specification of the determinants of performance on the factors
- (c) Identification of the performance determinants that would benefit from training intervention

Objectives of Training

From the definitions it is clear that the objective of training 'is to increase job knowledge, increase relevant job skill and effectiveness and attitude of an individual or enhance individual choice behaviour'. From the organisational perspective, objective of training may be seen to 'ensure that the organisation has the people with the correct mix of attributes, through providing appropriate learning opportunities and motivating people to learn, and thus enabling them to perform at the highest levels of quality and service' (Bentley, 1990, p. 25). The basic purpose is to bridge the gap between standard performance expected and actual performance. The objectives thus could be listed as:

- (a) Enhance knowledge and skills of the worker in doing specific jobs
- (b) Improve overall performance of an employee by bringing about attitudinal change and improving efficiency by reducing wastage of material and accidents
- (c) Develop an employee to takeover positions of greater authority and responsibility

- (d) Orienting new employees to the organisation and their job
- (e) Helping employees qualify for the future jobs
- (f) Providing opportunities for personal development

Dipboye (1997) and Salas, Cannon- Bowers, Rhodenizer, and Bowers (1999) have pointed out that organisations and individuals can have other purpose for training as well. Training can serve a number of symbolic functions. Organisations can use training schedules to show the audience their concern about supporting skill development among their employees, or appropriately managing diverse workforce, etc. Individuals can use training certificates, education degrees as symbols of accomplishment and status.

IMPORTANCE OF TRAINING

Effective training produces many benefits for both employees and organisations overall.

Benefits for the Employees

Training provides greater job satisfaction and enhances morale among employees. The combination of job satisfaction and peer acceptance leads to increased self-esteem. Training provides opportunity to advance in the organisation; employees who demonstrate excellent performance at one level in an organisation often have the opportunity to advance to other levels of responsibility. Training assists in increased employee motivation.

Benefits for the Organisation

Training helps in increased productivity. Employees who know how to perform their jobs are more effective and more productive than those who learn through trial and error are. Training helps organisations to retain competitive edge by increased innovation in strategies and products. It helps in reduced employee turnover and enhances the company's image. A study of fifteen countries of the Organisation for Economic Cooperation and Development (OECD) found that training benefits organisation by:

1. Improved productivity
2. Greater workforce flexibility
3. Savings on materials and capital costs
4. A more motivated workforce
5. Improved quality of product and services.

Specifying Training Content

Training content is dedicated by the training objective. It is composed of the knowledge, skills and pattern of choice behaviour that the trainee must acquire to meet the objectives.

TRAINING METHODS

Training methodologies and techniques are evolved everyday to meet changes in the environment. The method employed depends upon the type of training intended, the trainees selected, and the objectives of the training. It should be clearly understood that training is a situational process—that is why no single method is right for every situation.

Training methods can be broadly classified into two—the cognitive and behavioural approaches to training. The cognitive approach provides written and verbal information, demonstrating relationships among concepts and providing rules on how to do something. These methods are usually carried out off the job. Cognitive methods are best for knowledge development and behavioural methods for skills (Blanchard and Thacker,

1998, p. 277). The other method is on-the-job training. This method allows an employee or trainee to practice the learnings in real or simulated conditions.

Cognitive or Off the Job Training

It is the training which is conducted off the actual work place. Cognitive training methods provide verbal or written information, demonstrate relationships among concepts, or provide the rules for how to do something. These stimulate learning through their impact on cognitive processes and are associated most closely with changes in knowledge and attitudes.

Tidbits

Cognitive or Off the Job Training Methods

- Lecture Method
- Computer Based Training
- Games and Simulations
- Vestibule Training
- Business Games
- Case Study
- In-Basket Exercise
- Role Playing
- Behavioural Modeling
- Sensitivity Training

Lecture Method The lecture is best used to create a general understanding of a topic or to influence attitudes through education about a topic. The most common form of off-the-job training is the oral presentation of information to an audience (Blanchard and Thacker, 1999, p. 278). In lectures, a large amount of information can be delivered in a relatively short span of time to a large number of people. Lectures suffer from one major drawback in that no allowance is made during the lectures for analysing the level of understanding by the students. If the training objective is to convey specific factual information it is better to put material in text form (Drummond, 1989).

Computer Based Training Computer based training is cost effective and reduces trainee time. The trainee studies only what he needs to and has increased access to training. It allows the trainee to master learning, there is instructional consistency, and it has been found to be the best way to maintain interest and motivation high (Jerris, 1999, p. 330). Kearsly (1984), states that the most important advantage of computer based learning is the control over the content of the material, method of presentation, and movement of the trainee through sequentially structured learning episodes based on previous trainee responses. The trainee can choose the place and time for learning.

Games and Simulations In games trainees experience processes, events and circumstances that occur in the job in a controlled setting area. Simulation exercises place the trainee in an artificial environment that closely imitates actual working conditions where the trainer demonstrates on the same kind of machine and using the same procedures that trainees will use on the job. Newman and Hodgets (1998, p. 195) in their work have stated that the most important part of the games is not the activities in which participants engage but processing of results on completion of the game.

Vestibule Training In this the trainee/employee is placed in an artificial environment that closely imitates actual working conditions. The theory is that if managers or employees have faced with similar situations, even if these are simulated, they will be more likely to make right decisions (Woods, 1995; p. 180).

Business Games Business games attempt to indicate the way in which an industry, company, or subunit of a company functions. Generally, they are based on a set of relationships, rules, and principles derived from the theory or research. The trainees are provided with a situation and are expected to analyse and make decisions based on the information available. This process continues till the predefined state of the organisation exists or a specified number of trials has been completed (Blanchard and Thacker, 1998, p. 295). Business games usually involve an element of competition, either against other player or against the system.

Case Study This method has become very popular lately. In a case study, details of a series of events, either real or hypothetical that take place in a business' environment are provided. In a case study the participants are asked to go through data provided in the case to identify the principal issues and then propose solutions to these issues (Woods, 1995, p. 183). A variation of the case study is the incident process, in which trainees are given only a brief description of the problem and they must gather additional information from the trainer by asking specific questions (Pigor and Pigor, 1987, p. 414).

In-Basket Exercise These are a form of simulation in which participants are asked to prioritise problems, messages, reports and other items that might be found in a managers' in-basket (in-tray) (Jerris, 1999, p. 330). In-basket exercises are used to clarify how to decide which issues require the most immediate response, to teach participants how to delegate those problems which do not require personal attention and instruct employees how to work on several problems simultaneously (Woods, 1995, p. 183). The in-basket primarily focuses on decision making and allows an opportunity for both assessing and developing decision making knowledge, skills and attitudes. In-basket is best at developing procedural and strategic knowledge (Blanchard and Thacker, 1998, p. 297).

Role Playing Role playing gives participants the opportunity to perform a role of a particular position and experience situations in a controlled setting. Trainees are provided with a description of the context, usually a topic, the general description of the situation, a description of the role and the problem they face. The trainees then act their role by interacting with one and another. Spontaneous role plays are loosely constructed interactions in which one of the participants plays him/herself while the others play the people with whom the first trainee has interacted in the past (Goldstein, 1993).

Behavioural Modeling It gives the participants a chance actually see how a model would act in a certain situation, rather than simply be told how to act. Behavioural modeling uses the natural tendency of people to observe to learn how to do something. The technique is generally used in combination with other techniques (Woods, 1995; p. 185). Behaviour modeling differs from both role plays and simulations by first providing the trainee with an understanding of what the desired skill level looks like (Goldstein, 1993). Behavioural modeling lays emphasis on doing rather than telling. It has been used for training in interpersonal skills, sales, interviewes, safety, interviewee training and many other areas (Decker and Naten, 1985).

Sensitivity Training It is also called laboratory training and is often used to develop interpersonal skills. It helps make participants more aware of their own behaviours as well as their behaviour towards others. This type of training can supplement and provide cost effective alternatives to portions of the classroom and on-the-job training programs.

Behavioural or On-the-Job Training

Behavioural training method places employees in actual work situations and makes them immediately productive. This method allows trainees to practice behaviour in a real or simulated fashion. On-the-job training involves learning by doing, relies on demonstration and coaching. Job instruction technique, job

Behavioural or On-the-Job Training Method

Job Instructions Training
 Job Rotation
 Coaching
 Apprentice Training
 Internship

rotation, coaching and apprentice training are common forms of on-the-job training methods. The success of learning in on-the-job training depends upon the four steps of *prepare, present, tryout and follow-up*.

Job Instructions Training This is a structured approach to training and involves trainees going through a series of sequential steps. The technique uses behavioural strategy with the objective of skill development. While the training is in progress the trainee also gains some factual and procedural knowledge. This type of training is good for task-oriented duties such as operating a machine, etc. Job instruction technique consists of four steps *viz* preparation, present, try out and follow up (Blandchard and Thacker, 1999, p. 306).

Job Rotation It is a systematic movement of employees from job to job or project to project within an organisation, as a way to achieve different human resource objectives such as orienting new employees or exposing employees to diverse environment (Woods, 1995, p. 188). Job rotation makes individuals more self-motivated, flexible, adaptable, innovative, and eager to learn and communicate effectively. Job rotation may be especially valuable for organisations that require firm-specific skills because it provides an incentive to organisations to promote from within (Jerris, 1999, p. 329).

Coaching It is the process of one-to-one guidance and instruction to improve knowledge, skills and work performance. Coaching is becoming a popular means of development, and often includes a one-to-one with the trainee to conduct need assessment, set major goals to accomplish, develop an action plan and support the trainee to complete the training plan. The trainee drives the activities and the coach provides continuous feedback. The coach is inducted when an organisation structure is changed, when a team is not performing well or where new skills are to be imparted.

Apprentice Training This is the oldest forms of training and very popular in India where people take up hereditary jobs. Apprenticeship was the major approach to learning a craft. In this method planned, practical instructions are imparted over a period of time. The apprentice works with a recognised master craftsman.

Internship Internship is an opportunity for students to get real world experience, often during summer vacations as a part of completion of degree programs. Internship is offered usually by organisations to college students requiring work experience. Internship offers precious, real life job experience and the organisation often gets skilled, highly dedicated service.

Training for Special Purposes

Globalisation of economies has increased the need for specific training to meet the international needs. Global business training samples include:

- Executive etiquette for global transactions
- Cross-cultural technology transfer
- International protocol and presentation
- Business basics for the foreign executive
- Language training

Olson (2000) Taxonomy of Components of Individual's Performance as a Team Member

1. **Fulfilling Team-Related Task Responsibilities:** Takes ownership for and completes assigned task
2. **Peer Leadership: Initiating Structure:** Helps to define goals, organise and prioritise tasks
3. **Peer leadership:** Consideration Provides social support and empathy, offers verbal encouragement and acts respectfully towards other team members
4. **Training Team Members/Sharing Task Information:** Shares information with team members, provides task explanations and demonstrations, answers questions, and gives timely and constructive feedback
5. **Team Member helping/Backup Relief:** Fills in to cover for team members who are overworked or absent
6. **Monitoring Performance:** Observes and is knowledgeable about the performance of other team members
7. **Monitoring Team Effectiveness:** Pays attention to team's situation, including relevant conditions, procedures, policies, equipment, technology and level of team accomplishment
8. **Individuals Contribution to Problem Solving:** Helps in identifying alternative strategies, options or solutions
9. **Individuals Contribution and Work Load Distribution/Coordination:** Contributes to and encourages discussion of work distribution

- Diversity training
- Cross-cultural sensitivity
- Results examples:
 - Improving technical skills
 - Socialisation

This will be covered in detail later in the book.

Blanchard and Thacker (1999, p. 304) have depicted the various methods and their comparative efficacy to address various training objectives. Figure 11.3 depicts a broad guide to determine the effectiveness of various training techniques.

DESIGNING TRAINING

The main guideline in the design of a training program or session is to set aside everything and put one's thoughts towards the trainee or audience, to think in terms of what the trainee(s) will be able to do, demonstrate, or explain by the end of the training.

1. "What is expected of the trainee(s), i.e., what he is able to do, demonstrate, or explain by the end of the training"?
2. "What training resources and activities will facilitate learning"?
3. "How will the desired change in behaviour measured"?
4. "What tools and process will be used evaluate the method of instruction and the training content"?
5. "What is the best way to reinforce learning"?

Training Methods	Goal of Training					Attitudes
	Knowledge			Skills		
	Declarative	Procedural	Strategic	Technical	Interpersonal	
Off-the-Job Training						
Lecture	3	2	1	1	1	3
Computer Based Training	5	4	3	2a	2	3
Case Study	1	3	2	5	1	2
Business Game	2	3	5	2	2b	2
In-Basket	1	3	4	1	2c	2
Role Play	1	2	2	2	4	5d
Behaviour Modeling	1					
On-the-Job Training						
Job Instructions Training	3	5	4	4	2	5
Apprentice	5	5	4	5	2	5
Coaching	3	5	4	4	4	5
Scale:	Moderately Effective – 3					
Not Effective – 1	Effective – 4					
Mildly Effective – 2	Very Effective – 5					
Notes						
(a) This rating is for general technical skills. For some specific skills the rating would be 5.						
(b) If the business game is designed for interpersonal skills, this rating would be 4.						
(c) If multiple baskets were used in this rating would be 3.						
(d) Specifically role reversal						
Source: Adapted from Blanchard and Thacker (1999, p. 304).						

Figure 11.3 *Training Methods Effectiveness at Meeting Knowledge and Skills Objectives*

At this preliminary stage of designing the training program the designer is the central figure as the planner, decision-maker, trainer, and facilitator. The training however, cannot be planned until needs analysis has been carried out and training needs identified. Training needs are the perceived gaps between a desired and an actual situation (the measurable or observable performance and behaviour of the trainees).

Designing a Training Program

The content of the training programme depends upon who we are involving and how much time has been allocated. However, the training should be so designed that there are mix of approaches even if the training session is short.

The steps involved in designing a training programme are discussed below.

1. **Selecting Strategies** The first step in designing is to determine the strategy of training. Strategy enables the trainers to prioritise training objectives and also helps in selecting the training areas, which could include developing skills and conceptual understanding, etc.
2. **Breaking Objectives** The second step is to break the objectives into different parts like knowledge, understanding and skills. Each subpart of the training objective is matched by an appropriate training event.

3. **Choosing Methods** After having determined the objectives and the matching events the trainer determines and selects the best method by which training can be imparted.
 4. **Deciding on Training Package and the Programme** Once the methods have been selected the trainer identifies the package to be imparted and then schedules the training event.
- A sample training programme is given in Figure 11.4.

Day	Activity	Purpose (for participants)	Purpose (for organisation)
Day 1	Understanding the change imperative	To understand the degree of change in individual way of doing day to day activities	To have positive attitudinal change, thus enabling employees to be competitive
	WTO, ILO, and economic reforms and their impact on trade unions	To understand the impact of economic reforms on trade union practices globally	To create, supportive role of trade unions
	Collective bargaining scenario	To understand changed collective bargaining scenario	To get the advantage of excellent practices of trade unions and convert them as partners in organisational growth
	Case Studies	To put learned lesson into action	To measure training effectiveness
Day 2	Creativity and innovations in managing customers	To develop creative and lateral thinking	To get benefit of creativity and translate creative thinking into action
	Conflict management	To manage conflict and translate the same into better performance	To reduce dysfunctional conflict
	Trade Unions under disinvestment scenario	To understand the degree of change in trade unions' way of performing day to day activities	To reap the benefit of positive attitudinal change of trade unions and remain competitive with active support and cooperation
	Quizzes and case studies	To practice learned lessons and measure	To measure effectiveness in training and put in use learned lesson

Figure 11.4 *Training Programme for a Trade Union*

The program has to be designed at the planning phase and it depends upon the training intends to achieve and how best it can be achieved. The important steps are at in Figure 11.5.

Assessment of Training Needs This is the first step in designing the training programme. It is the need analysis which provides the base line information upon which the training programme is designed and developed. The assessment can be carried out by answering the question who, what and whom? *Who* answers the question about the categories of people who have training needs. *What* unearths the kind of needs of participants in the training programme. *Whom* helps in identifying proper trainers (in house or external)?. It is important that a discussion is held with potential trainees and possibly their supervisors.

Formulating and Specifying Training Objectives. Once the training needs have been identified, it is important to translate those needs into realistic objectives. Training objectives are the changes which an organisation seeks to accomplish through training. The objective should be precise, it must help in designing the conducting of training and provide the trainees with a clear understanding of knowledge and skills they require.

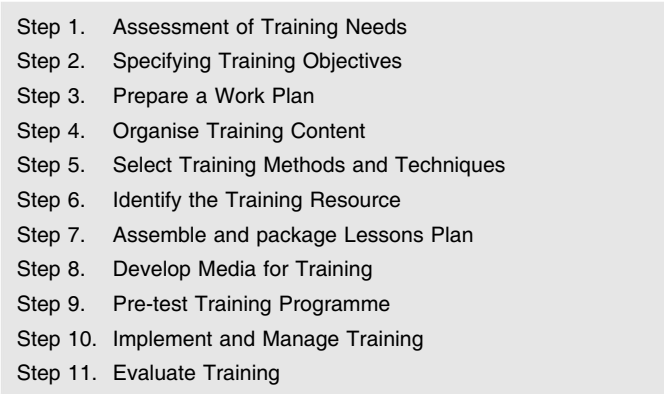
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- Step 1. Assessment of Training Needs
 - Step 2. Specifying Training Objectives
 - Step 3. Prepare a Work Plan
 - Step 4. Organise Training Content
 - Step 5. Select Training Methods and Techniques
 - Step 6. Identify the Training Resource
 - Step 7. Assemble and package Lessons Plan
 - Step 8. Develop Media for Training
 - Step 9. Pre-test Training Programme
 - Step 10. Implement and Manage Training
 - Step 11. Evaluate Training

Figure 11.5 *Steps in Designing Training Programme*

Prepare a Work Plan. A work plan is a plan of operations. It helps to establish what is needed.

- Training—who are the people who require it, when, where, how long?
- Media Communications—what is required, where will it be obtained from?
- Equipment—what we need and where?
- Transport required—where and when?
- Finance—requirement; who controls it? Are adequate funds available?

Organise Training Content Content should be derived from the training objectives. Trainers must develop a framework that draws out the content of training.

Select Training Methods and Techniques. Content should have learning activities that help the trainees in accomplishing the training objectives. To help them understand the training material, it is necessary to use methods that allow reviewing of the key points communicated, use relevant and realistic examples, and restate new ideas in different ways using familiar words and analogies. It is especially important when communicating that there is consistency in the definitions and unit of analysis used. Different trainees can be exposed to different methods of training to ensure that they derive the maximum benefit and get optimum results.

Identify Training Resources Required The trainer must identify all the relevant training material that may be required to conduct the training, including facilities, equipment, material, administrative and personnel support.

Assemble and Package Lesson Plans At this point the training objectives, content, training methods and training resources needed to conduct the training are collected and lesson plans prepared for conducting training. The plan should serve as a written record on how training is conducted.

Develop Media for Training The material needed for training is then prepared in packets for day to day work for the trainees. It is expected that the material included in the packets would meet the dual needs of the organisation as well as true individual.

Implement and Manage the Training Implementation of the training also follows a number of steps.

1. **Preparation** Involves the knowledge of the objectives of the training and being clear on the strategy to apply it to the content of the training
2. **Setting** Ensuring a cheerful and relaxed environment for the conduct of the training
3. **Breaking the ice and openers** Introducing means for each participants to know each other

4. **The Learning Experience** This is the main aspect of the training and could be said its core. It should be ensured that that participants or trainees should be actively involved; they should encouraged to express their ideas and question the material being provided.

Evaluating Effectiveness of Training

Training evaluation determines the value of training through systematic process. This is ensured through assessment of effectiveness of training, learning, application of new knowledge and skill in work practices. A model of training evaluation design recommended by Jackson (1989) is shown in Figure 11.6.

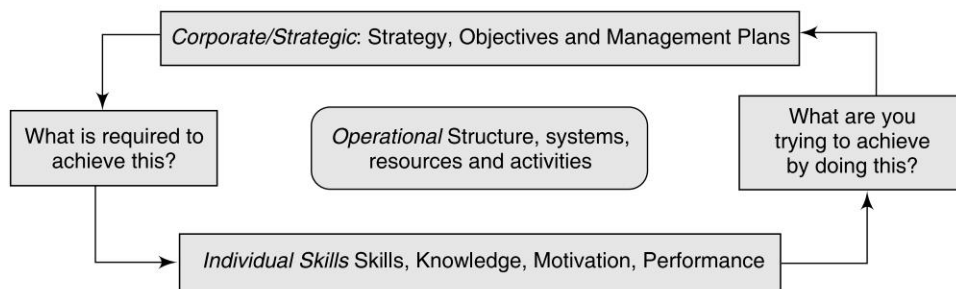


Figure 11.6 Training Evaluation Design Model

Need for Evaluation Evaluation enables an organisation to monitor the training program as also to update and modify it in future programs. There are some criteria for measuring the success of training; direct cost, efficiency, performance to schedule, reactions, learning, behaviour change etc. (Sheppard, 1999).

Concept of Training Effectiveness Training effectiveness can be stated as the degree upto which the trainees are able to learn and apply the knowledge and skills acquired in the training program. The effectiveness depends upon the attitude, interest, values and expectations of the trainees and the training environment. To be effective, the training method should

- Motivate the trainee to improve performance
- Provide for active participation by the trainee
- Encourage positive transfer from training to job
- Provide timely feedback on the trainee's performance
- Be structured from simple to specific problems.

Evaluation Criteria Hamblin in his work *Evaluation and Control of Training* says that effectiveness of training can be measured in terms of the reactions of trainee to the objectives, contents, and methods of training, to the extent trainees have acquired the desired knowledge and it has helped the trainee to improve behaviour and ultimately the improvement in productivity or performance. Evaluation is done on two criteria—training and performance level criteria.

Training-Level Criteria involves determining the *reactions* of the trainee as to how much he or she has liked the program, how much they think they have learned and *learning* criteria: i.e., what did the person learn, which is analysed by conducting examinations.

Performance Level Criteria involves determining the behavioural change and results in the form of increased efficiency at work place. Behaviour criteria concerns the trainee's behaviors on the job that might have been due to training—'do they do what they were taught?' and results criteria: did the training increase efficiency?

Calculation of Cost Benefits of Training Most of the training decisions taken by organisations are incremental. Business heads calculate and evaluate the cost effectiveness of training courses by assessing cost and effect within their own business domain. The incremental approach however is no longer adequate to determine the return on investments. Particularly when things go off-scale, managers need to look beyond return on investments. Hence, return on investments measurement techniques vary at different levels of the organisation. Table 11.7 illustrates how measurement areas change with the change in levels.

Function	Goal	Measurement	Scope
Manager – Human Resource Sub Unit Heads	Reduce skill gaps Achieve business goals	Individual performance Project goals, business metrics	Business unit specific training
Corporate-level Managers	Identify the best alternative	Financial metrics, business case	
Top Management	Gain competitive advantage, organisational transformation	Business case, share holder value	Whole organisation-wide learning through knowledge management, e-learning infrastructure

Figure 11.7 *Measuring Return on Investments at Different Levels*

In very simple financial terms, return on investments is calculated with following formula:

$$\text{Return on Investments} = \frac{\text{Gains} - \text{Investment Costs}}{\text{Investments Cost}}$$

Simple return on investment is the most frequently used form and is most easily understood. With simple ROI, incremental gains from the investment are divided by investment costs.

Return on investment is the only factor in making investment decisions. In training, other factors include available financing and operating factors such as available labour and facilities. Return on investment could also be measured through one simple abbreviated formula as under:

$$\text{LE} + \text{WE} = \text{BR} = \text{ROI}$$

where

LE is Learning Experience

WE is Work Environment

BR is Business Results

It is, therefore, evident that training based return of investment is quantifiable increase in market share, financial gain and employees' behavioural shifts. Whether return of investments is positive can be understood with the measurement of the following items:

1. Incremental financial gains
2. Market share growth
3. Employee loyalty and growth
4. Customer loyalty
5. Strategic and tactical gains

Training Effectiveness Measuring Models

Beginning with World War II, evaluation research in training and evaluation activities has developed as a result of substantial support from United States Federal Government. It basically provides an answer to the question ‘do we implement or repeat a program or not?’ and ‘if so, what modifications should be made?’ (Stone and Watson, 1999).

The Kirkpatrick’s Four Level Approach First model for evaluation is Kirkpatrick’s four levels of evaluation. It was created in 1959 by Donald Kirkpatrick, then professor of marketing at the University of Wisconsin. It is still one of the most widely used methods. It involves measuring: *reactions*—a measure of satisfaction, *learning*—a measure of learning, *behaviour*—a measure of behaviour change and *results*—a measure of results (Philips, J., 1997, p. 39). The conceptual framework answers four very important questions (Figure 11.8). The process is shown in Figure 11.9.

Level 1 – Reaction	Were the participants pleased? What do they plan to do with what they learned?
Level 2 – Learning	What skills, knowledge, or attitudes have changed? By how much?
Level 3 – Behaviour	Did the participants change their behaviour based on what was learned in the program?
Level 4 – Results	Did the change in behaviour positively affect the organisation?

Source: Stone J. and Watson V., (1999). *Evaluation of Training*, www.ispi-atlanta.org

Figure 11.8 Kirkpatrick Four Levels of Evaluation

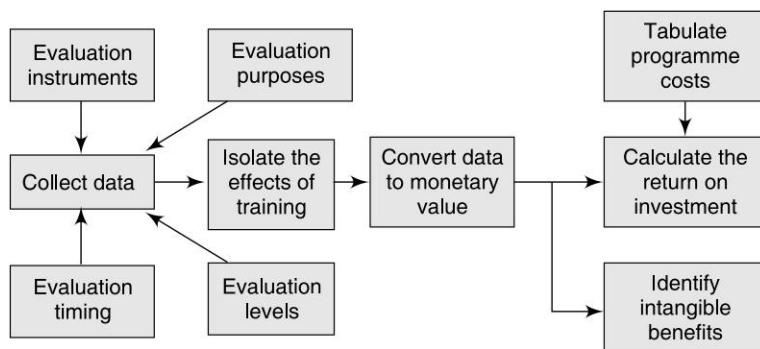


Figure 11.9 Kirkpatrick Four Levels of Evaluation Process

Kaufman’s Five Level of Evaluation Kaufman modified and added to the basic framework of Kirkpatrick’s Model to overcome its shortcomings. Kaufman expanded the definition of Level 1 and added a fifth level addressing social issues (Philips, 1997; p. 40). Figure 11.10.

At Level 1, enabling addresses the availability of various resource inputs necessary for successful intervention. At Level 5, evaluation focus is on societal and client responsiveness and consequences in payoff. This enables evaluation beyond the organisation, and examines the extent to which the performance improvement program has its impact on society and environment around organisation.

Level	Evaluation	Focus
5	Societal Outcomes	Societal and client responsiveness, consequences and payoffs
4	Organisational Output	Organisational contributions and payoffs
3	Application	Individual and small group (product) utilisation within the organisation
2	Acquisition	Individual and small group mastery and competency
1b	Reaction	Method's, means' and processes' acceptability and efficiency
1a	Enabling	Availability and quality of human, financial and physical resource input

Source: Philips, J. (1997), p. 41

Figure 11.10 *Kaufman's Five Level of Evaluation*

Context, Input, Reaction and Outcome (CIRO) Approach Warr, Bird and Rackman developed a different method of evaluating training. As with other approaches, four general categories of evaluation are described, which form the letter CIRO (Context, Input, Reaction and Outcome) (Philips, 1997, p. 39). Context evaluation includes obtaining and using information about the recent operational conditions or context to determine training needs and objectives. Input evaluation includes gathering and using information about possible training resources to select between alternative inputs to training process. Reaction evaluation includes obtaining and using information about the learner's reactions to improve the training process. Outcome evaluation includes gathering and using information about the findings and outcomes of training. Outcome evaluation is considered the most important part of the evaluation. If outcome evaluation is to be successful, it needs careful preparation before training programme begins (Philips, 1997, p 41).

The Five Level Returns on Investment Framework Returns on Investment (ROI) is a measure of the monetary benefits obtained by an organisation over a specified time period in return for a given investment in a training program. This process has however limitations in that it cannot evaluate all aspects of training such as whether the trainees liked the training, the extent to which the trainees personal goals have been accomplished (Sheppard, 1999). The costs of training are known and expressed in monetary terms, but benefits are often soft, subjective and difficult to quantify and convert into monetary terms. Costs are known upfront, before training, but benefits may accrue slowly over time. But on the other hand, course objectives and content will become more lean, relevant, and behavioural with focus on monetary results rather than on the acquisition of information (Parry, S., 1996, p.72).

Level	Evaluation	Focus
1	Reaction and Planned Action	Measures participants reaction to the program and outlines specific plans for implementation
2	Learning	Measures skills, knowledge or attitude changes
3	Job Applications	Measure change in behaviour on the job and specific application of the training material
4	Business Results	Measures business impact of the program
5	Return on Investment	Measures the monetary value of the results and cost of the program, usually expressed as a percentage

Source: Philips, J., (1997), p43

Figure 11.11 *Five Level of Returns on Investment Framework*

Other Related Models There are some other commonly used models such as Context, Input, Process and Product Evaluation (Stufflebeam, 1987), Training Validation Model (TVS) Approach (Fitz –Enz 1994) and Input, Process, Output/Outcome (IPO) Model (Bushnell, 1990).

A comparison of several system based models (CIPP, IPO, TVS) with Kirkpatrick's Model is presented in Figure 11.12.

Kirkpatrick's Goal Based Model	Systems Based Model		
	CIPP Model (1987)	IPO Model (1990)	TVS Model (1994)
1. Reaction to collect data on participants reaction	Context: to obtain information about the educational needs to establish program objectives	Input: to evaluate performance indicators likes; trainee qualifications, availability of materials, appropriateness of training, etc.	Situation: to collect pre-training data on current performance levels and to define a desirable level of future performance
2. Learning: to evaluate how far the learning objectives have been met	Input: to identify training strategies to achieve the desired results	Process: to plan, design, develop, and deliver the training programmes	Intervention: to identify the reason for the gap between the present and desirable performance and assess how training can solve the problem
3. Behaviour: to assess change in job performance as a result of training	Process: to assess the implementation of educational programmes	Output: to gather data from the training interventions	Impact: to evaluate the difference between the pre- and post- training data
4. Results: to assess costs vs benefits of training	Product: to gather information on the results of the training intervention and interpret its worth and merit	Outcomes: to measure long-term results in profitability, competitiveness etc.	Value: to measure differences in quality, productivity, service or sales

Figure 11.12 *Comparison of Kirkpatrick's Goal Based Model and Systems Based Model*

Benjamin Bloom's Taxonomy Bloom's taxonomy was primarily created for academic education; it is relevant to all types of learning. Bloom's model provides an excellent structure for planning, designing, assessing and evaluating training and learning effectiveness. The model also serves as a checklist, by which it can be ensured that the training is planned to cover all aspects of the training needs of the trainee. This model also provides a template by which the validity and coverage of existing training can be assessed. The model has three parts of overlapping domain. Figure 11.13 depicts the Bloom's Taxonomy Model.

Cognitive (Knowledge)	Affective (Attitude)	Psychomotor (Skills)
Recall data	Receive (awareness)	Imitation (skills)
Understand	Respond	Manipulation
Apply (use)	Value, understand and act	Develop precision
Analyse (structure)	Organise (personal value system)	Articulation
Synthesize (create/build)	Internalise value system	Naturalisation (automate, become expert)
Evaluate (assess, judge in relational terms)		

Figure 11.13 *Bloom's Taxonomy Model*

MANAGEMENT DEVELOPMENT TECHNIQUES

The techniques used for management development are wide and varied. Each of the techniques summarised below is a subject in itself and readers wishing to know more about them should refer to the relevant literature. Although people skills are a key element of management, formal training interventions are rarely good at producing improvements in inter-personal behaviour. Work-based methods appear to be most effective here and in some other areas (Figure 11.14).

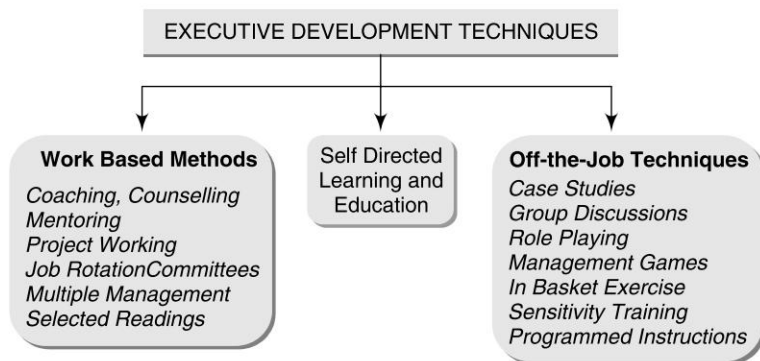


Figure 11.14 *Executive Development Techniques*

Work-based Methods

Senior managers are likely to use work-based approaches a great deal and there is specific advice on these (Cunningham, *et al.* 2004). For open-minded and non-defensive senior managers, the whole array of methods that could be used with more junior staff can be appropriate. And it may be important not to lose sight of the fact that obvious approaches, such as reading or going to conferences, can apply to this group.

Coaching, Counseling and Mentoring Coaching is about improving skills and performance, usually for the current job, but also to support career transitions. Coaches seek to bring an objective perspective to a structured dialogue to bring about sustainable solutions. Usually coaches are hired from outside the organisation, but increasingly some organisations expect all line managers to operate as coaches, and it is often true that a young manager will learn more from senior colleagues than from any other source or formal learning intervention. Coaching's focus on skills distinguishes it from counselling, which is about helping people with personal concerns such as motivation and self-confidence.

'Mentoring', as name suggests, is taking of responsibility of training a new entrant by a old experienced worker. Mentors usually come from inside the organisation. Typically, mentors will be experienced managers (but not individuals' line managers, because frankness is needed in exchanges) who regularly meet more junior colleagues to help them perform better and groom them for career advancement.

Recent Chartered Institute of Personnel and Development learning and development surveys suggest that coaching, counselling and mentoring are growing, with over 80 per cent of organisations using them to develop at least some of their people. These one-to-one methods offer personally-tailored reflection and discussion in confidence between a manager and another individual about that manager's development.

Understudy Understudy is a person selected and being trained as the heir apparent to assume at a future time the full duties and responsibilities of the position presently held by his superior. In this way, a

fully trained person becomes available to replace a manager during his long absence or illness or on his retirement, transfer, promotion, etc.

Position Rotation It involves movement or transfer of executives from one position to another or one job to another on some planned basis. The objective of rotation is to build and broaden knowledge, skills and abilities of the executives. Job/position rotation helps to reduce monotony, facilitates departmental coordination and cooperation and provides opportunities to understand the functioning of particular department.

Project Working Project working involves putting together a group of persons to prepare and develop the project. In modern businesses, managers increasingly work in cross-functional teams, exposing them to different functions and enabling them to learn about different aspects of the organisation and ways of doing things.

Committee Assignments Executives are made members of permanent committees. Individuals participating gain knowledge of the process of decision making, alternative methods of problem solving, functioning of other departments, etc.

Action Learning Most people learn best by doing, i.e., performing on the job or we can say by practicing to be perfect. Action learning utilises this tendency of learning by structuring the process.

This technique was developed by Charles P. McCormick of the McCormick Corporation of Baltimore, USA. Junior executives learn decision making skills of the board of directors or top management levels. In this process the junior managers constitute a board or committee to analyse a problem and make recommendations. The process helps the junior executives to learn decision making and analysis of problems. In this way the participants get practical experience and the management is able to identify executive talent. The process is relatively inexpensive.

Performance and Development Reviews Since the 1970s, many organisations conduct appraisals, in which an individual's manager regularly—usually annually—records performance, potential and development needs in a top-down process. Many of these systems have evolved into a more rounded process known as performance and development review meetings, in which the dialogue is more open and two-way (indeed, the person being reviewed should do most of the talking), enabling those involved to reflect on past performance as a basis for making development plans. The key difference between the traditional appraisal and the development review is that the former concentrates on performance, with development as something of an after-thought, while in the development review, the main focus should be on the development of the individual.

Education and Training **Formal training courses** In large organisations especially, formal training is given in the shape of courses, particularly at key transition points such as the first management job or as a prelude to promotion. Their content will vary according to the organisation and the role the individual is to fill in, but in the private sector finance and business strategy is a key component. Change management appears to be increasingly popular.

Self Directed Learning Self-directed learning is ideal for the workplace. Fisher says, "Self-directed learning is more than a form of education; it is a component in human development". Self-directed learning programs hold numerous advantages over traditional forms of classroom instruction for employees in the workplace, whether they are leaders, managers, or individual contributors. Bouchard (in his working paper on *Self-directed Learning in Organisational Settings* published by Concordia University, Montreal, Canada) explains, "Over the years, it has become increasingly clear that traditional approaches to program design and delivery in the workplace and in associative organisations present some important weaknesses. Problem

areas include: coping with the short life span of useful knowledge, passing down acquired competencies to succeeding cohorts, accommodating the demands of productivity while providing for a continuity of learning [and] enabling learners to pursue activities that correspond to their learning styles and needs”.

Thomas D. Fisher, in *Self-Directedness in the Workplace: A Re-Examination* cites numerous suggestions in order to better enable self-directed learning in the workplace. Some of those suggestions are listed below, and are wonderful ways for supervisors and learners to turn the workplace into a classroom, help the learner identify the starting point for a learning project and discern relevant [ways] of examination and reporting.

- Encourage adult learners to view knowledge and truth as contextual ...
- Create a partnership with the learner by negotiating a learning contract for goals, strategies and evaluation criteria
- Be a manager of the learning experience rather than an information provider
- Teach inquiry skills, decision making, personal development, and self-evaluation of work
- Help learners develop positive attitudes and feelings of independence relative to learning
- Recognise learners' personality types and learning styles
- Use techniques such as field experience and problem solving that take advantage of adults' rich experience base
- Encourage critical thinking skills by incorporating ... such activities as seminars
- Create an atmosphere of openness and trust to promote better performance.

E-learning and Blended Learning Increasingly, organisations are seeking to supplement traditional courses by e-learning, which is, the use of computers to deliver training, often delivered through corporate intranets. It provides large populations with the same material, and access is flexible so that people can learn in their own time.

Off the Job Training

The need for external stimulus

Senior managers often feel the need to get inspiration from outside their own organisation. This may be through external consultants/developers being invited inside the organisation to support development activity. From evaluations of successful programmes, senior managers do typically comment on the value of going outside their own organisation. And they often say how relieved they are to find managers in other organisations facing the same problems. This can be a considerable boost to self confidence. They also say that they glean new ideas and new perspectives from the interaction with those outside their own organisation.

Secondment

Secondment involves sending an employee to work outside the organisation, taking up an assignment or occupying a position in another organisation through secondment for a year or two. Sometimes, in the case of senior people, secondment also involves taking up non-executive directorships in another organisation. Recently the Government of India decided to second its employee to work in private sector to gain experience and get trained.

The term 'secondment' is used broadly to cover a temporary movement or 'loan' of an employee to another part of an organisation or to a completely different organisation. Employees can be seconded into organisations ranging from major commercial concerns through public services and schools to small local groups and charities. Organisations benefit from both inward and outward secondment. Typically, paid secondments require formal arrangements, are full time and last for a certain duration.

According to the Chartered Institute of Personnel and Development's Managing employee careers survey, secondment is one of the top ten most commonly used career management practices and 67% of respondents considered them to be 'effective' or 'very effective'. Similarly in the Chartered Institute of Personnel and

Development leadership forecast, 63% of respondents identified external assignments as very effective (the highest response rate) for developing leaders (Chartered Institute of Personnel and Development 2003).

It is essential that all parties are clear about their obligations, expectations, accountabilities and performance objectives before secondment is undertaken.

Development Centers

The purpose of development centers (sometimes known as assessment centers) is to focus on opportunities for personal development, and to gauge potential and help make selections for promotion. Although they take place off the job, they include work-related activities and group work, as well as counselling and psychometric assessments, so they can be included under the heading of work-based methods. They are expensive to run, so are mainly for large organisations.

360 Feedback

Appraisals and even performance and development reviews can be perceived as subjective and over-dependent on the views of the person doing the reviewing. The process of 360 feedbacks seeks views from a range of relevant viewpoints—peers, superiors and subordinates, and sometimes even outsiders like customers and suppliers—based on a framework of competencies.

Sensitivity Training or T-Group Training

Sensitivity Training or T-Group Training is also known as laboratory training as it is conducted under controlled conditions. It means the *development awareness and sensitivity to behavioural patterns of oneself and others*. 'T' Groups are helpful in unlearning and learning certain things. They help the participants to understand how groups actually work and give them a chance to know how others view them in a group. This type of training also aims at raise the tolerance level of the individual and his ability to understand others.

Outdoor Development

Outdoor development is sometimes used for team building purposes, while in-house providers or external deliverers can provide 'one-off' training to fill particular gaps which might be identified because of organisational needs or through review and one-to-one processes mentioned above. An important aspect of getting people together away from the workplace is that they can exchange ideas outside the classroom, while meeting people from elsewhere in the organisation helps in corporate networking.

Learning groups

Getting groups of senior managers to meet together to work on their learning needs is almost like group mentoring. Such groups need to consist of five or six managers who create their own learning agenda and a skilled learning group adviser to make it work. One variant of this model is the action learning set, where individuals might take on projects, either singly or as a team so long as the projects are realistic and the managers focus on the 'learning' and not the 'action'.

Coaching

Although there is a lack of agreement among coaching professionals about precise definitions, these are some generally agreed characteristics of coaching in organisations.

- It is essentially a non-directive form of development.
- It focuses on improving performance and developing individuals' skills.
- Personal issues may be discussed but the emphasis is on performance at work.
- Coaching activities have both organisational and individual goals.
- It assumes that the individual is psychologically well and does not require a clinical intervention.
- It provides people with feedback on both their strengths and their weaknesses.
- It is a skilled activity which should be delivered by trained people.

Developing a Coaching Culture Clutterbuck and Megginson (2005) describe a coaching culture as one where ‘coaching is the predominant style of managing and working together and where commitment to improving the organisation is embedded in a parallel commitment to improving the people’.

The primary relationship in any coaching activity is between the coach and the individual, but this is not the only important relationship. Other key stakeholders include the person representing the organisation’s interests—most frequently an human resource practitioner and the individual’s manager. Both of these parties are interested in improving upon the individual’s performance and therefore his or her contribution to the organisation. The Figure 11.15 explains how this works in an organisational context. Jarvis (2004) developed the concept of four cornered contract which he depicted by the central triangle of relationships.

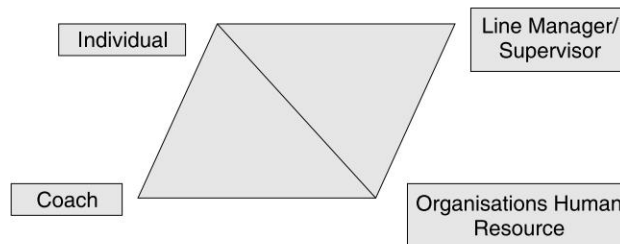


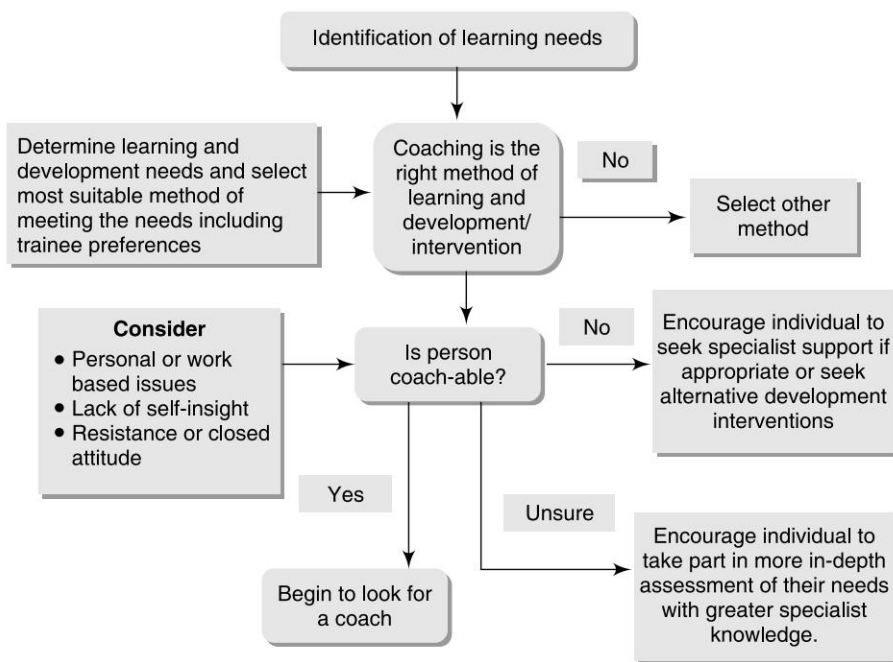
Figure 11.15 *The Four-Cornered Contract Depicting Stake Holders*

A Jarvis (2004) developed a useful decision tree tool to determine whether coaching is the best intervention method for development. Figure 11.16 has been adapted from Jarvis model. Coaching is ideal for helping competent technical experts develop better interpersonal or managerial skills developing an individual’s potential and providing career support developing a more strategic perspective after a promotion to a more senior role and handling conflict situations so that these can be resolved effectively.

Counseling Under this method the immediate superior guide’s development needs at different career stages of a subordinate. Counseling has a powerful, long-term impact on the learners and the effectiveness of the organisation. There are two type of counseling — directive and nondirective. In directive counseling, the counselor identifies the problem and tells the counselee what to do about it. Nondirective counseling means the counselee identifies the problem and determines the solution with the help of the counselor. The counselor has to determine which of the two, or some appropriate combination, to give for each situation.

Mentoring Mentoring is a long standing form of training, learning and development and an increasingly popular tool for supporting personal development. Mentoring is primarily about developing capability and potential in the role rather than performance and skills. It is a specific learning and development intervention which can be used widely but in a specific context such as development, induction, or sponsorship. It should be delivered and evaluated through appropriately qualified mentors and overseen by the human resource department. It often works together with coaching but should be seen as a distinct activity.

Mentoring is the long term passing on of support, guidance and advice. In the workplace it has tended to describe a relationship in which a more experienced colleague uses their greater knowledge and understanding of the work or workplace to support the development of a more junior or inexperienced member of staff. Mentoring is a process of communication and interaction between a mentor, usually a senior colleague such as the business owner or a manager and a protégé/mentee who is usually a junior member of staff or a new inductee. The aim is to help the mentee to change something—improve performance, develop leadership skills, realise vision or provide organisational wisdom.



Source: Adapted from Chartered Institute of Personnel and Development's Version 2007

Figure 11.16 *Decision Tree: is Coaching an Appropriate Intervention*

Eric Parsloe of The Oxford School of Coaching & Mentoring states, “Mentoring is to support and encourage people to manage their own learning in order that they may maximise their potential, develop their skills, improve their performance and become the person they want to be”.

Mentoring is used specifically and separately as a form of long-term tailored development for the individual which brings benefits to the organisation. The characteristics of mentoring are:

- It is essentially a supportive form of development.
- It focuses on helping individuals manage their career and improve upon their skills.
- Personal issues can be discussed more productively unlike in coaching where the emphasis is on performance at work.

Mentoring activities have both organisational and individual goals. The following figure (Figure 11.17), adapted from Alred *et al.* (1998), highlights the differences between mentoring and coaching. It is separate and distinct from coaching, but coaching and mentoring can often overlap.

Clutterbuck (2004) in ‘Everyone needs a mentor’ describes how mentoring works and the organisation benefits from it. Benefits that accrue to the organisation can be stated as

- significant impact upon recruitment and retention
- Effective succession planning
- Makes organisations adapt to change
- Increased productivity through better engagement and job satisfaction.

Benefits to the mentored person are:

- Development outcomes which may include, knowledge, technical and behavioural improvements

Mentors Make an Organisation Better

For companies and workers seeking to change direction in their industry, climb to the next level, or adjust to mergers and structural change, management experts say finding a mentor could be their best transitional tool. Where can an ambitious person find a mentor? Try retirees looking to give back or stay engaged, and business leaders seeking to improve their managerial skills.

Insight you can get from reports

Companies looking to promote diverse workforce often encourage their managers to be mentors—the teaching can go both ways. As the mentee is often younger, he or she can help enlighten the mentors about new trends in the industry or give them insight into another generation.

“If you’re still active and the company wants to market the younger people, what better opportunity than to sit with younger person?” asks Scott Allen, a consultant on social networking and building business relationships online, and an active mentor and mentee. “You will get insight sitting there with one-on-one face time that no market research report could ever give you”. And if the mentor is lucky he may learn thing or two about technology.

Set commitment goals

Successful mentorship can be in any number of forms; on line or in person, in both formal and informal settings, on a temporary or long term basis, and between individuals and in group. What are essential, experts say, are direction, dedication and openness. To be sure that the time spent is fruitful, experts recommend setting specific goals and revisiting them along the way, as well as looking for mentor who has travelled the career path you seek and has skills you need, instead of seeking out a mentor whom you like for personal reasons.

An aid to talent attraction and retention

Speth an attorney at Jaburg Walk Phoenix says, “Your mentors shouldn’t tell you what your goals are, they should just ask you what your goals are.” The benefits of mentoring are far reaching. It helps in recruitment and more importantly in retaining talent. More and more people are attracted to organisations that help them grow and learn.”

Don’t make promises you can’t keep

Mentors and mentees must be dedicated to skill-building for relationships to sustain. Mentees should avoid seeking relationships for political or nebulous reasons. Mentors should avoid making promises they can’t keep. One of the worst things that can happen is committing to a mentee and then not being able to be there when they need you.

Source: Adapted from ‘Mentors make an organisation better by Emily Keller, *The Economic Times*, New Delhi, 25 March 2008, p. 5.

- Better management of career goals and developing wider network of influence
- Increased confidence and self awareness which helps build performance and contribution

Mentoring helps in fostering strong careers, transferring wisdom to next generations and fortifying industry with the best talent. Mentoring can be an effective tool for organisations to develop and retain talent. As someone has aptly said, “A lot of people have gone further than they thought they could because someone else thought they could”.

Mentoring	Coaching
Ongoing relationship that can last for a long time	Relationship generally has a short duration
Can be more informal and meetings can take place as and when the mentored individual needs some guidance and or support	Generally more structured in nature and meetings scheduled on a regular basis
More long term and takes a broader view of the person	Short term (sometimes time bound) and focused on specific development areas/issues
Mentor usually passes on experience and is normally more senior in organisation	Not generally performed on basis that coach needs direct experience of clients formal occupational role
The focus is on career and personal development	Focus generally on development/issues at work
Agenda is set by the mentored person with the mentor providing support and guidance to prepare them for future roles	Agenda focused on achieving specific, immediate goals
Revolves more around developing the mentee professionally	Revolves more around specific development areas/issues

Figure 11.17 *Comparison Between Mentoring and Coaching*

INTERNATIONAL MANAGEMENT DEVELOPMENT

Dennis Cottrell, Vice President, Institute of Personnel Development, said, “with markets becoming increasingly internationalised and more and more companies globalising their activities across many cultures.... companies must focus their attention on international management development, and the personal professional must be aware of this (Dickman, 1997).’ Globalisation has resulted in increased realisation on the parts of organisations to create a truly versatile employee and to ensure that their leaders reflect the diversity of the organisation’s global scope. International management development remains a priority; the trends includes:

- (a) **The pivotal role of the chief executive and senior board members in nurturing talent**
- (b) **Acknowledgement that the leadership development and diversity are inseparable intertwined**
There are three styles of leadership which has universal acceptance—charismatic, team-oriented and participative. House *et al* (2002) state that ‘charismatic’ leadership appears to be universally accepted though the interpretations of charisma are different in different societal settings. Similarly ‘team oriented’ will be interpreted differently in individualistic cultures as opposed to in family or group oriented cultures.
- (c) **Adopting a dual-dialogue approach to international career planning** It has been observed that there is reluctance on the part of high-potential employees to take up international assignments due to dual career, family and other issues. It has also been observed that many high performing employees move to other organisations, either during the assignment or on return (Suutari and Brewster, 2003). For global organisations, he or she needs to align his or her career development. Therefore, it is preferable for organisations to be careful or during selection and it is preferable to have a dialogue while carrying out selection and organising international management development programmes.
- (d) **Adopting decentralised approach to succession planning**, with only the top two or three tiers of jobs being managed centrally.
- (e) **Linking international management development interventions to the strategic needs of the organisations.**

- (f) **Employing a variety of international management development techniques aimed at self directed, work based learning** rather than training, for example, using mentors, coaches, learning sets and project based learning
- (g) **Managing international mobility for international management development purposes** In multi-national organisations, international assignments play an important role in building both organisations' human capital and individual career capital.
- (h) **Determining methods of evaluating the effectiveness of international management development techniques**

Nestle

Nestle is one of the companies with international footprint and takes keen interest in leadership development. In an interview for a magazine, Peter Braheck-Lemathe, Nestle CEO, said continuing success of the company hinged on the talent the company nurtures. He acknowledged the importance of leveraging cultural diversity while instilling a sense of corporate identity and principles: "We want to make sure that the employees at all our regional companies maintain their original cultures, but follow the same Nestlé principles We don't want to transform a Chinese into a Chilean or an American into Australian. All we're asking for is that he or she embraces the common values that we have."

In globalised companies executive development is seen as an intrinsic part of developing an organisation's strategy as well as a potential source of competitive advantage. It results in both knowledge and capability gain for employees and organisations. The companies want learning as well as elements of distance learning, ranging from internet chat rooms to more sophisticated virtual learning projects.

Cross-cultural frameworks, such as Hofstede's (1980) and Trompenaars' (1993), provide evidence of distinct national differences in working values and behaviours, hence, it is important that international management development includes the training in understanding national sensitivities also that the leadership is cultural sensitive.

THE STRATEGIC ROLE OF EXECUTIVE DEVELOPMENT

Organisations are increasingly sending their top management personnel to business schools for customised programs tailored specifically to meet individual and organisational needs. Such courses place less emphasis on conventional learning such as accounting, finance, etc., but focus on helping organisations meet high-level strategic challenges. While writing the objectives for the executive development programme this author stated to his team that the objective of the programme was to *help organisations through some of their most pressing strategic issues, to work closely with the senior or top managers and help them devise plans to execute their strategy, if required, help the organisations with frameworks to refine their strategies.*

Three Types of Integration

Integration might categorise organisations into three types: those that treat executive development as a discreet process, others that partially integrate it with strategic planning and a third set that has fully integrated it as a driver of strategic planning (Figure 11.18).

	Discrete Process	Partial Integration	Integrated and Divine Strategy
Goal of Executive Development Process	Build general skills for key managers so they can handle a 'typical' management situation	Help management execute strategy once it is completed	Help management craft and implement corporate strategy
Number of Organisation	50% or more	35-45%	5-10%
Common Characteristics	<ul style="list-style-type: none"> • Developmental plans do not take current business imperatives into account • Training executive likely not at table of senior management 	<ul style="list-style-type: none"> • Development plans are formed as a result of current business imperatives. • Training executive likely to be present at table of senior management 	<ul style="list-style-type: none"> • Developmental plans result from current business imperatives into account, provide input into strategic direction • Training executive proactive in strategic planning
View toward executive developmental activities	Often cynical of developmental 'spending'	Worthwhile activity	Critical investment

Source: *Transforming Corporate Leadership: Best Practices of Executive Education*, ExecSite, 2004

Figure 11.18 *Level of Integration*

What should be done? To ensure good implementation of the process the Chief Learning Officer should

- Insist on his inclusion in all strategy development meetings
- Acquaint with current strategy and its formulation process, time frame, etc.
- Insist on involvement of top/senior management in all training and development activities
- Integrate the business strategy and executive development programme
- Ensure training does not impact daily work and
- Assess the development programme.

EXERCISE

REVIEW QUESTIONS

- What are the factors that should be taken into considerations while designing an effective training programme? Mention the various steps in designing a training programme.
- What are the methods through which operatives are provided training? Differentiate between and Cognitive and Behavioural methods of training.
- Are training and development practices inconsistent with modern organisation theory? What are training needs and objectives? How will you assess training needs?
- What do you understand by industrial training? Discuss its significance to the management and to the employees.
- How will you evaluate the effectiveness of training? How can such an organisation be created?
- 'The purpose of training is multi-fold. Training may be required for several purposes'. In the light of this statement discuss the various types of employees training.
- Critically examine the effectiveness of business games as a tool in training programmes.

8. Do you think the recent economic liberalisation programme of the Government of India has made the training function more important for an organisation? Elucidate.
9. What do you understand by 'management development'? Discuss briefly the methods of management development.
10. Differentiate between education and executive development. Why is executive development necessary?
11. Examine the need for executive development. Explain any three methods for executive development.
12. What is sensitivity training? Discuss its importance for management development.
13. Discuss the nature of organisational development.
14. Discuss role playing and management games. How do these techniques help in management development.
15. Analyse the process involved in designing management development programmes.
16. Write short notes on:
 - (a) Conference methods
 - (b) Multiple management
 - (c) In-basket exercises
 - (d) Position/job rotation.
17. Discuss and debate the interdependency of 'management development' and 'organisational development'?

FILL IN THE BLANKS

1. Dynamic and growth-oriented organisations adopt a strategic and planned approach towards the maintenance of _____.
2. The _____ on a particular factor can be improved upon by enhancing the job relevant skill, or by developing advantageous behaviour such as being regular, working hard, etc.
3. Modern organisations are well aware that their real value is in the quality of its workforce and hence, they endeavour to _____ of their workforce to maintain the competitive edge.
4. It should be remembered that a _____ and skilled employee is more efficient and hence, is able to produce quantity with quality.
5. _____ in an organisation differ from other employees and are partly defined by having a status which provides benefits (such as advantageous share option schemes or special bonuses) not available to other employees.
6. _____ Cronbach (1957) and Cronbach and Snow made Aptitude-Treatment Interaction (ATI) a virtual icon— the principal message being that all trainees are not alike and some of the characteristics where people differ are correlated with achievements.
7. _____ refer to the imparting of specific skills, abilities and knowledge and bring about attitudinal change in an employee.
8. Training is an organised activity and should follow _____ oriented guidelines viz., increase knowledge, hone skills, systematic procedure of transferring technical know-how to the employees, improve problem solving ability, develop potential, reinforcement and education.
9. The basic purpose of _____ is to bridge the gap between standard performance expected and actual performance.
10. Training provides greater job satisfaction and enhances _____ among employees.
11. _____ methods provide verbal or written information, demonstrate relationships among concepts, or provide the rules for how to do something.
12. In a case study, details of a series of events, either real or hypothetical that take place in a _____ are provided. In a case study the participants are asked to go through data provided in the case to identify the principal issues and then propose solutions to these issues.
13. _____ are a form of simulation in which participants are asked to prioritise problems, messages, reports and other items that might be found in a managers' in-basket.
14. _____ is also called laboratory training and is often used to develop interpersonal skills.

15. Coaching is the process of _____ guidance and instruction to improve knowledge, skills and work performance.
16. _____ is a person selected and being trained as the heir apparent to assume at a future time the full duties and responsibilities of the position presently held by his superior.

PROJECT WORK

1. Your company is a new startup with their multi-location project sites for developing manufacturing facilities of consumer durables. Management has made a request to you for designing three day intensive training programme for their newly recruited project managers, as a part of their specific induction training. Discuss this in your class.
2. Study the 'management development programme' of any company located in vicinity. Analyse the process of management development and recommend an alternative plan. Discuss the same in the class.

ANSWERS TO FILL IN THE BLANKS

- | | | | | |
|-------------------------|-----------------------------|---------------------------|-------------|----------------|
| 1. Human resources | 2. Performance | 3. Upgrade skills | 4. Trained | 5. Managers |
| 6. Training | 7. Training and development | | 8. Learning | 9. Training |
| 10. Morale | 11. Training | 12. Business' environment | | |
| 13. In-basket exercises | | 14. Sensitivity training | | 15. One-to-one |
| 16. Understudy | | | | |

Cases

The following cases have been discussed here, with each case relating to a particular chapter. All the cases have been provided in chapter-wise sequence for better understanding.

- 1 Labour Pool in Muzaffarnagar Steels**
- 2 Meeting Quality Standards**
- 3 Motivation and Job Satisfaction in Corporate Sector**
- 4 Dealing with Stress**
- 5 When Organisational Culture Impedes Work**
- 6 Leaderships Challenges in Indian Pharmaceutical Industry**
- 7 Boredom, Accidents and Safety: Study on Fatal 2008 Accident at Tyre and Rubber Plant at Meerut**
- 8 Creating Competencies**
- 9 Sankalp Global: Recruiting and Selecting Right People**
- 10 All About Performance Management**
- 11 Training and Development Needs**



Chapter 1

Labour Pool in Muzaffarnagar Steels

Steel manufacturers are required to operate twenty-four hours a day because of the nature of the production process. Muzaffarnagar Steels established a central labour pool of skilled, versatile men to be sent to other departments to replace persons absent or unable to perform at the job.

Before the pool was established, engineers and cost experts carefully proved that the idea was workable and would reduce costs by reducing overtime and/or regular standby men in each department. However, after a year of herculean effort by the management, the pool had to be abandoned, for two reasons. First, the management could not keep men in the pool. Workers employed or transferred to pool felt that it lowered their status. They objected to working for different foremen on different jobs. They disliked being without a specific workstation which they could count as theirs. They also missed the sense of belongingness to a work group or a team. Some men chose to quit the company when transferred to the pool.

Second, the pool increased labour costs instead of decreasing them. Foremen avoided the persons from the pool as they thought the employees from the pool lacked motivation. Foremen also did not want to disturb the functioning or rhythm of their respective teams. Hence, they started doubling shifts with their own men (working for sixteen hours) instead of using pool men. This left pool men idle, further hurting their morale and increasing pool costs. It also increased department costs by requiring overtime.

Pedagogical Objectives

- To understand what is Industrial Psychology
- To discuss how Industrial Psychology influences work within industry.
- To discuss and debate on all the possible reasons for the success management, employing industrial psychological tools to improve productivity

Questions

1. What do you think are the major causes of employees leaving the job?
2. Do you think it is appropriate to have a pool of trained persons available to meet the deficiencies in skill of the employees?
3. Do you think if the management had introduced the pool properly, it could have worked; but it failed because the management was unaware of how the work system was affecting human relations?

Chapter 2

Meeting Quality Standards

It was reported to Rana Food and Commercial Works that the products of the company at times were not meeting quality standards and the time schedule for supply was not being met. The company which had built a reputation was losing market as orders were not flowing in. To meet the quality of the product, the company went in for upgradation of the machinery. The operation of new machinery required specific skills. The management ordered a study to determine the skill availability with the company. On analysis of the workforce, it was found that there was shortfall of trained/skilled workers.

The management carried out detailed analysis of supply schedules not being met. The analysis revealed that the main reasons for shortfall were as follows:

- (a) Long breaks were being taken by the workers during the day for a variety of reasons.
- (b) Employees were reported frequently absent from the work.
- (c) The workers had the attitude that it is not their work and they had no desire to improve their skills.
- (d) The workers had started carrying out functions as per what the foremen taught them and not as per the procedures.
- (e) The company had the policy of rotating the employees to different workstations frequently. The workers disliked being moved frequently. It resulted in loss of sense of belongingness as they could not count a specific team as theirs.
- (f) The workers were not adhering to the standard operating procedures.

The company administration took a decision to improve the functioning. It first decided to get the labour force back into the grid so that schedules could be met. The company called a meeting and told the labour union that it is going to take action if the employees continue to take unscheduled breaks and to be absent from duty. The management said that the employees at the plant floor will be permitted to use the rest room only during lunch and two other times during the day—one before and one after the lunch. They were also allowed one unscheduled toilet break per day, and the employee can be disciplined for taking more, starting with warning and escalating to dismissal.

The old policy allowed the workers to rotate off the line for short, unscheduled breaks throughout the day, with no set numbers. The company changed the policy after new equipment was installed and it also found that the workers took advantage of the liberal break policy.

The Labour Union challenged the policy and stated that the company is violating The Factories Act 1948, in which it is mandatory for the company to ensure the health of employees and provide rest rooms. The regulation of visit to toilet may be injurious to health.

Pedagogical Objectives

- To understand scientific management and its impact on the work within the industry
- To discuss Human Relations School and its influence on the work within the industry
- To discuss and debate on all the possible fallout of Hawthorne experiments on working in groups

Questions

1. What do you think are the major causes behind employees lacking required skills and remaining absent from work?
2. Do you think it is appropriate to have a study organised to determine what are the personal needs of the employees?
3. Do you think if the management had introduced the policy on unscheduled breaks properly, it could have worked? The policy of unscheduled break was resented because the management did not explain the need to the workers?
4. Do you think there is a need for study for such policy decision?
5. How do you think should the policy of rotation be carried out as it is one of the ways of learning and developing skills?

Chapter 3

Motivation and Job Satisfaction in Corporate Sector

Sankalp had recently joined Unitech in Meerut as a Structure Engineer. He had worked with Larsen and Tubro before joining Unitech. The MD of Unitech, while interviewing Sankalp, had told him that the company was facing problems and was having labour unrest. Sankalp during the interview made a commitment that he will do his best and would be able to turn around the company. On arrival at the workstation, Sankalp realised that the fitters amongst the employees were not pulling their weight and were not performing at their optimum. Even Singme, a fitter considered to be excellent in his work, was not performing well.

Sankalp who had seen such behaviour earlier was convinced that the performance of the fitters could be enhanced significantly to improve overall productivity. Sankalp decided to look deep into the matter to understand the problem in a holistic manner. He also did not want to cause ripples in the organisation as he had just joined the organisation. He realised that if he could get Singme around, he would be able to improve productivity.

Sankalp had an informal chat with Singme. However, he was soon stonewalled by the latter who stated that there was no problem and he was performing at the optimum. Sankalp thereafter started meeting the other members. Sankalp soon realised that although Singme was outstanding but was not performing to the optimum. Gradually, he learnt that the other fitters were also dissatisfied with the prevailing conditions.

On analysis Sankalp realised what was affecting Singme and other workers. He found that he was quite junior and could not do much to change the working conditions. However, he wanted to fulfill the promises he made at the time of joining the organisation.

Pedagogical Objectives

- To understand the meaning of motivation and its impact on an organisation
- To discuss how motivation influences working in industry
- To discuss and debate on all the possible methods to increase job satisfaction

Questions

1. How do you think Sankalp should have proceeded to find out the reasons for underperformance?
2. What actions can he take to motivate the fitters?
3. How can the level of job satisfaction be increased in the given circumstances?

Chapter 4

Dealing with Stress

Bhushan Glassware is a 100-year-old manufacturing organisation. The company employs 5,000 people and operates on 50 sites. It primarily supplies glassware to market.

The company set the objective of pulling itself out of a stagnant loss-making situation and to regain market dominance. It set out to accomplish this by completely redesigning its manufacturing techniques through the lessons learnt from Japanese companies. The company also implemented a large-scale programme of organisational restructuring involving decentralisation and the establishment of cost centres.

The programme of large-scale change was rolled. However, the management realised that the results improved at a slower rate than expected. Changes were being implemented and the performance was being improved. It was observed that there was sudden increase in sickness (especially with stress-related ailments); discontent amongst employees, especially older.

Senior managers realised that the middle managers were experiencing the worst stress, being caught between the upper management and the workforce.

A stress audit was conducted at each site. Analysis of stress sources and stress-coping strategies employed by the middle managers revealed that the organisational development effort itself had the effect of being a source of stress. The analysis also revealed that older employees were under greater stress as they felt that the changes were affecting them the most. The changes had also caused a sense of job insecurity amongst older employees. This in turn made it difficult for them to cope with the change of working practices being introduced in the company. Some of the older employees were not performing and did not want to join the training for skill upgradation.

The organisation, therefore, decided to implement additional programmes of stress counselling and to address the issues of role clarity and participation in change planning. The latter were seen as complimentary inputs to the development process. Efficiency gains and a reduction of stress were realised as a result.

Pedagogical Objectives

- To understand stress in an organisation
- To discuss how stress affects work in industry
- To discuss and debate on all the possible methods to overcome stress in industry

Questions

1. Why do you think there was stress?
2. How do you think this situation can be improved?
3. Why do you think the middle managers were feeling more stressed? How can the situation be improved?

Chapter 5

When Organisational Culture Impedes Work

A tragic illustration of the impact of dysfunctional organisational culture is the cardiac unit at one of the hospitals in Meerut. The death of a child brought matter to the head of the administration and instigated a public inquiry into the working of the unit. The unit identified a number of issues which led to the tragedy, particularly the failure to develop effective team work culture. In fact, the inquiry identified a number of issues which span the content of Chapter 5. For example, there appeared to be clear 'in-group/out-group/subgroups' divide based on inappropriate group identities. In addition, norms were developed, which made the challenge for individual excellence and team work difficult, rewarded deference and thus caused an absence of reflexivity amongst senior clinicians.

Before the unit had become the subject of an official inquiry, there had been a good deal of internal concern about its functioning. The unit performed difficult cardiac procedures even on children. The mortality rates of such operation were high. This was spotted by the anesthetist. He had raised the issue with his colleagues within the hospital and with professional peers outside. This had little impact and he was soon isolated within the unit. He found it difficult; to both institutionally and personally challenge the senior colleagues.

Like all hospitals, this hospital too had a clear clinical/manager divide, emphasised by the Chief Executive. Although clinicians stayed away from managerial aspects, the reverse was not true.

The two senior clinicians in the cardiac unit appeared to have little talent for team leadership. The combination of lack of self-insight and defensive denial, however, meant they appeared to recognise this. Indeed, in the case of one of the clinicians, this was still very much apparent as he gave his evidence to the inquiry. Whilst the senior clinicians in the unit appeared to have little awareness of the impact of their actions on hospital staff's morale, the more general norms in the hospital did not encourage effective team culture functioning. Many witnesses spoke about the 'club culture' (essentially consisting of a senior clinician). The employees were either in the club or outside the club. People who tried to criticise the club were considered highly disloyal.

Getting on meant deference and loyalty in addition to being divisive, the culture was extremely hierarchical, supporting a highly autocratic leadership style. As Weick (2003) describes high reliability organisation as 'believing is seeing', the clinicians believed in their technical skills and were largely insulated they were unable to see the early signs of danger.

Pedagogical Objectives

- To understand culture in an organisation
- To discuss how culture influences work in industry
- To discuss and debate on all the possible reasons for the success of working in groups

Questions

1. What do you think was wrong with the hospital?
2. How do you think can the team be revived?
3. How should the administration get involved in bringing things in order?
4. How are cultural dynamics playing in the organisation?

Chapter 6

Leaderships Challenges in Indian Pharmaceutical Industry

Indian industry since time immemorial has been dominated by family businesses. Before the arrival of state units and multinational corporations, there were only family businesses. In many industrialised countries, like the United States, Germany, Spain and China, to name a few, families control up to 90 percent of the businesses and contribute more than 50 percent of the gross domestic product. In the emerging economies, families are the developmental foundation for new business and future prosperity. Until now, the focus of family businesses was on ensuring prosperity to help the families preserve wealth and survive from one generation to the next. But with changing times, the families have come to understand the requirements for long-term growth and productivity that can generate prosperity for many generations to come.

Only about 30 percent of family owned businesses successfully move to the second generation of family ownership. Less than five percent successfully move to the third generation. A recent study indicates that heir succession is associated with worse performance than outside succession. Warren Buffet has rightly said: "Heir succession is like choosing the son of a 2000 Olympic swimming champion for winning the 2020 Olympic swimming contest."

In India, almost 100 percent of the domestic pharmaceutical companies are family run. As most of these companies started showing significant growth only after 1970, we usually see the first- or second-generation entrepreneurs in this family run business.

The most successful Indian pharmaceutical company, so far, with global footprints is Ranbaxy. However, in the third generation of entrepreneurship, the business was sold off to Daiichi Sankyo. Even in the second generation of entrepreneurship, well-known pharmaceutical companies, like Glenmark, Elder Pharma and others, are getting split between siblings. What could possibly be the reason behind such changes within the family run Indian pharmaceutical businesses? Could it be due to an overlap between the family and business interests? Could it be that a professional manager at the helm, devoid of the concerned business family interest and reporting to a professional board of directors, could have managed the business better? Or is it an issue of business leadership?

The Chairman of Eli Lilly in 2007 said publicly what many industry observers have been saying privately for some time: "I think the industry is doomed if we don't change." The accompanying statistics painted a grim picture of the traditional big pharmaceutical business model going from blockbuster to busted. The old business model of large organisations—enormous capital investments with huge costs of production—is simply no longer feasible.

Changing dynamics of Big Pharmaceutical Companies

Although some global pharmaceutical companies are still following the traditional succession planning model, many leading pharmaceutical companies have started adopting different new models for succession planning. These models have been classified below into four categories.

Selecting insiders: Preferring to seek leaders with pharmaceutical experience but with new perspectives, some boards have selected youthful industry insiders to take the reins. GlaxoSmithKline, Europe's largest drug maker, has designated Andrew Witty to succeed Jean-Pierre Garnier as Chief Executive Officer in May 2008. At 43, the new CEO, who has been with the company since 1985, will be it's youngest-ever leader.

Selecting insiders with different perspectives: Some boards, seeking the combination of pharmaceutical experience and new perspectives, have sought industry insiders from the functions that do not ordinarily lead to the top job. In 2006, Pfizer named Jeffrey Kindler, the company's General Counsel, to succeed Henry McKinnell James M. Cornelius.

Selecting outsiders Pursuing a leadership model that represents the promise of youth along with outside perspectives, some companies have selected young leaders from other industries as well. In 2000, Thermo Electron (now Thermo Fisher Scientific) appointed the 41-year-old Marijn E Dekkers as its COO, who previously held several executive positions at Honeywell International. Later, he went on to become the CEO of Thermo in 2002.

Selecting outsiders with different perspectives In 2007, Novartis brought 47-year-old Joseph Jimenez aboard to lead the Novartis Consumer Health Division and appointed him the CEO of Novartis Pharmaceuticals shortly afterwards. He brought with him extensive experience in consumer products at ConAgra, Clorox and Heinz.

Trends affecting Indian pharmaceutical industry

1. A large number of leading drugs are going to be off-patented in near future. It is estimated that 100 billion dollar worth of drugs will go off-patented by 2015.
2. The recession in world markets has forced the major companies like Pfizer and Merck to look at emerging markets.
3. Indian Pharmaceuticals companies are highly leveraged because of huge borrowings for upgradations, expansion and entry into hospital and health care industry.
4. Buyouts of Indian companies by multinationals have increased their share in production of drugs in the country.
5. Multinationals are expanding the portfolios by launching non-patented molecules and development of branded generic products.
6. Working with government to popularise vaccines for critical diseases.

Pedagogical Objectives

- To understand leadership and its impact on an organisation
- To discuss how leadership influences work in industry
- To discuss and debate groups and its dynamics
- To discuss reasons for the success of working in groups

Questions

1. Do you agree with the family businesses selling off their companies to multinationals?
2. What type of leadership do you think has been displayed by the top leaders of Indian pharmaceuticals like Ranbaxy and Nicholas Piramal?

3. What do you think should be the course taken to maintain position from competition from China and other major countries?

(Students are advised to read Kamath, G. and Bissarbe, N. (2009), 'Serious about India', *Business World*, June 22, 2009, pp. 32–36 and refer to www.icra.in; medind.nic.in while preparing for discussion.)

Chapter 7

Boredom, Accidents and Safety: Study on Fatal 2008 Accident at Tyre and Rubber Plant at Meerut

The accident occurred on June 11, 2008, when an overpressure in a heat exchanger led to a violent rupture of the exchanger, hurtling debris that struck and killed an employee walking through the area. The heat exchanger contained pressurised anhydrous ammonia, a colourless, toxic chemical, used as a coolant in the production of synthetic rubber; five workers were exposed to ammonia released by the rupture.

On the day prior to the accident, maintenance work required closing several valves on the heat exchanger. Accident investigators found that workers closed a valve that isolated the exchanger from a relief valve, to replace a burst rupture disc located below the relief valve.

The next day, at about 7:30 a.m., an operator closed another valve—this one blocking a second, automatic pressure control valve—to begin cleaning the process line with steam. Unaware that the isolation valve was also closed, thus leaving no means of relieving excess pressure in the exchanger, pressure continued to increase until the heat exchanger exploded violently.

The managers ordered that the plant be evacuated. However, the investigators found that on the day of the accident, the employee tracking system was not operating properly, making it difficult to quickly account for all employees.

The investigators also found that a malfunction in the computerised electronic employee badge tracking system delayed supervisors in immediately retrieving the list of personnel in their area, requiring handwritten lists to be generated. At about 1:20 p.m., an operations supervisor assessing the damage to the incident area discovered a fatally injured employee buried in rubble in a dimly lit area. The investigators noted that because the fatally injured employee had been a member of the emergency response team, his absence from the evacuation muster point was not considered unusual.

The Chairperson of the investigation team, Mr Satish said: “The absence of this worker had not been noted due to the lack of training and drills on worker headcounts. The plant personnel were not provided with the proper training to effectively manage this emergency. The company procedures called for routine evacuation and shelter-in-place drills four times a year, but such drills were not held for several years prior to the incident. The management’s adherence to the company procedures should have allowed for effective communication between all members of the workforce and a more robust emergency-response structure.”

The report further notes that maintenance work activity was not properly communicated between maintenance and operations personnel, resulting in a subsequent shift not being notified of the isolation of the pressure relief line.

Pedagogical Objectives

1. To understand the need for safety procedures at a plant
2. The need for awareness of all employees, of mitigating techniques in case of an accident
3. Need for flow of information amongst the workers
4. Importance of ensuring that standard operating procedures are adhered to (keeping in view all aspects covered in Chapter 7)

Questions

1. What do you think were major causes of accident?
2. The company failed to comply with regulations. How do you think this could be ensured in Indian context?
3. Rehearsals are one of the main methods to limit damage from disaster. Why were these not carried out?
4. How do you think safety could be improved at plants?

Chapter 8

Creating Competencies

Consultants and Human Resource Solution Inc., a consultant company, was enlisted by Godwin's Retail and Real Estate Management Company to identify the critical knowledge, skills and abilities required for successful job performance for their entire salaried, non-union classifications. The project demanded the creation of custom competencies for more than 2000 individual positions. These competencies were integrated into the company's hiring processes to align its staffing strategies, including the staffing strategies on the Internet, with corporate mission and goals.

Challenges

- Defining best practices of competency development that conformed to legal and professional standards
- Training staff on ongoing work methodologies
- Incorporating work into downstream processes, such as attracting, selecting, retaining and appraisal

Methodology

- Group positions based on similarity of work behaviour to minimise the number of employees.
- Integrate company's values and vision to competency development program.
- Define a list of competencies applicable across positions in a company. This list served as the foundation for building competency development program.
- Equip the employees with requisite knowledge and skills to facilitate the competency development program.
- Leverage computer network to facilitate sharing of information throughout the competency development program.
- Listen out issues and shortcomings related to the process.

Results

The firm defined an efficient, job-related approach to identify critical knowledge, abilities and skills. These were done by training the employees.

1. The firm identified the critical knowledge, skills and abilities required for successful job performance.

2. It integrated the competencies with hiring process, including Internet based
3. It defined more than 2700 work behaviours describing the activities performed by 2000 positions.

Pedagogical Objectives

- To understand what is job analysis
- To discuss how a good job design helps a company to monitor performance and compensate the employees
- To discuss and debate on all the possible methods to make work a pleasant experience (answer to be restricted to Job Analysis only)

Questions

1. Examine the work practices of Consultants and Human Resource Solution Inc.
2. Do you think competency development approach would help job analysis and job design?
3. Examine the methodology followed by the company.

Chapter 9

Sankalp Global: Recruiting and Selecting Right People

Operating in business-to-business markets, Sankalp Global is a leading worldwide designer and manufacturer of high-performance diesel engines, electrical power generation systems and related products. The company operates in countries across the globe with annual turnover of around Rs. 15,700 crore.

Established in the UK 50 years ago, Sankalp Global has six manufacturing plants across the world. It employs 5000 people on its Indian operations. Like many other companies, Sankalp Global has a vision that gives it a focused view of where it wants to be. It sees itself as “making people’s lives better by unleashing the power of, Sankalp Global”. To help it achieve this vision, Sankalp Global has a range of supporting values, which are given below:

- **Integrity:** Strive to do what is right and do what we say we will do.
- **Innovation:** Apply the creative ingenuity necessary to make us better.
- **Superior Results:** Exceed expectations consistently.
- **Corporate Responsibility:** Serve and improve the communities in which we live.
- **Diversity:** Embrace the diverse perspectives of all people and honour them with both dignity and respect.
- **Global Involvement:** Seek a world view and act without boundaries.

Ever-rising customer expectations allied to global competition put great pressure on firms to employ not only ‘the right kind of people’ but also the very best from that pool of talent. Sankalp Global is particularly conscious of the high expectations of its customers, which include L& T, TATA, etc. These firms, in turn, face a highly demanding customers and so look to deal only with suppliers on whom they can depend for high-quality products—on time, every time.

Sankalp Global uses a team-based approach to manufacturing. Creating teams that perform well involves a great deal of preparatory work. The team’s composition must reflect the nature of the task, which will usually draw on a wide variety of aptitudes and skills. For example, a typical team in relation to a particular project will include people whose knowledge, skills and experience are in the following areas:

- **Manufacturing:** It entails making engines of the highest possible quality. Often employing quality activities such as Six Sigma (see one of Cummins’ Case Studies on www.tt100.biz) that help to reduce waste and inefficiency. Roles within manufacturing include not only working on the factory or shop floor as machine operators but also as technicians.

- **Administration:** It involves ensuring the smooth operation of the manufacturing process by offering appropriate administrative support, e.g. keeping records of customers' orders, Sankalp's 'orders to its own suppliers, payment of salaries and processing invoices.
- **Engineering:** It includes designing engines, etc. and developing the prototypes to their full potential.
- **Sales and marketing:** It involves discovering customers' needs and wants and finding and developing sales opportunities for the company's products.
- **Human resources:** It entails recruiting, selecting and training staff to meet customers' needs.
- **Purchasing and logistics:** The people in purchasing and logistics ensure that components arrive 'just-in-time' and that finished goods are shipped around the world quickly and cost effectively.

Sankalp Global offers job opportunities at several different levels. Many members of staff join the company at a junior level, which include operatives such as modern apprentices working on the factory floor.

Some individuals are recruited as engineers at a higher level and are qualified design engineers with a PhD, Sankalp Global will identify approach and train the best of them to become principal engineers.

Sankalp Global is well aware of the importance of 'getting it right'. Poor choices at the recruitment stage can prove expensive. The company needs to be sure of a candidate's technical competence. Time and money spent in recruiting that particular employee will prove expensive and wasteful whilst a better candidate may not only have 'got away' but gone to a competitor. Sankalp Global was recently the first company to market with a complete range of engines that met new stringent environmental legislation. Their technical solution to meeting this legislation was completely different to the competitor's approach. Had it turned out to be ineffective or not to be approved by government authorities, it could have led to the downfall of the company. The responsibility of making the correct decision was shared by relatively few individuals.

According to the Chief Executive Officer of Sankalp Global, 'one of the most crucial decisions that a leader will make is the choice of those who will support them'.

In a highly technological competitive market, Sankalp Global requires people who are not only technically competent, well informed, loyal and committed but also capable of showing good judgement, often under pressure. For example, when submitting a written tender for a contract, the team working on it has to decide what the company can promise to deliver, when and at what price. This can be particularly tricky when offering a new product for the first time, e.g. what level of 'after-sales service' should the tender include, based on the company's assessment of the risks associated with its new venture?

Advertising the Jobs

Job advertisements form an important part of the recruitment process. Cummins uses various means to communicate job vacancies, which include the following:

- Newspapers (local and national): typical costs Rs 15,000–25,000
- Recruitment consultants (have expertise in recruitment; will search their databases and maybe advertising jobs): Typical costs 20% of successful candidate's salary
- Job Centres
- The Internet

Not all jobs appear in every media form. Junior roles at a particular plant may be advertised within a local newspaper whereas technical posts will be advertised on the Web. The balance of advertising is changing. In 2010, Sankalp Global spent the bulk of its advertising budget on print. Five years on, virtually all technical and managerial vacancies will be advertised via the Internet, reducing the advertising cost by 80%. Web advertisements are more effective than print for they can be more closely targeted. It is also easier for the company to keep a record of people who have expressed interest and then automatically e-mail them when similar vacancies emerge. Using the web helps Sankalp Global to advertise across the world and reach

candidates who are more diverse as well as enabling the company to advertise quickly whenever vacancies arise. Sankalp Global also uses external Web portals, from which people can apply directly. As they do this, they can learn more about the company and traffic can be monitored.

Each advertisement emphasises on the knowledge, skills and experience individuals require within each post. These are the competences associated with the post. The position profiles identify the critical technical and non-technical competencies required for each job. These feature within the advert and shape the questions that candidates face at interview.

Interview Process

Applicants recruited straight from educational institutions may have little or no job experience to draw upon. For these candidates, interviewers will focus on their personal or academic life and will look to identify the qualities known to support development of the required competencies. As candidates are interviewed, they are awarded scores against all the critical competencies in the profile for the job. Competences are ranked in order of importance. To have any chance of success, candidates must score well on the key competences.

For more senior jobs at technical level and above, a line manager will conduct the interviews, helped by a professional recruiter from Sankalp Global's central recruitment team. Candidates take aptitude tests designed to match their critical competences, e.g. numerical, verbal, mechanical or spatial reasoning. For certain roles, trained interviewers use personality questionnaires. Sankalp Global keeps its recruitment practices under constant review and evaluation.

Pedagogical Objectives

- To understand the process of recruitment and selection in an organisation
- To discuss how recruitment and selection influence work in industry
- To discuss and debate the methods to have a success hit during recruitment and selection

Questions

1. What are the methods used by Sankalp Global to meet its requirement of employees?
2. Are the methods of advertising vacancies used by Sankalp Global effective? If yes, why?
3. What are the various processes used by Sankalp Global to recruit freshers?
4. How important is interview in selection process at Sankalp Global?

Chapter 10

All About Performance Management

Corporate performance management is ultimately about triggering changes in organisational behaviour that result in improved performance. Much can be done at the organisational or corporate level—through decisions about investment priorities and such like, but most improvements rely eventually upon one or more people choosing to change the way they carry out their work for their organisation.

Sanskriti Engineering Company is a mid-sized engineering and architectural consultancy based in western UP. Highly successful in the past, the firm had been suffering lately. The young and ambitious Managing Director of the same believed in the potential of the regional market and was determined to harness the firm's technical prowess and strong reputation in order to deliver greatly improved financial results.

Previous efforts with strategic planning had produced mixed results. The strategic plan of 2006–07 was sensible at the time of its writing, but of the initiatives making up the plan, few had been successfully implemented.

For the future, besides a new strategic plan, the following would be required: commitment to the plan from Sanskriti Engineering Company executives; a mechanism for executing the plan and greater clarity about actions and accountability to ensure realisation of the strategic goals. Moreover, it was essential to produce this quickly. Sanskriti Engineering Company was six months into the 2010–11 planning period, without a formal plan to guide tactical decision-making. The company's MD and Organisational Development Director investigated means of achieving these objectives and selected an approach to strategic planning based on the Third Generation Balanced Scorecard.

In October 2006, the company embarked on a project to improve the performance of the management. The core objectives of the project were as follows:

- Build a more effective way of informing individual objectives and aligning them with organisational and departmental goals
- Create an individual performance management process that supported the needs of the organisation and encouraged the correct behaviours from staff and teams

To deliver these objectives, Sanskriti Engineering Company chose to introduce a performance management approach based on the Balanced Scorecard (Lawrie and Cobbold, 2004). It was hoped that the Balanced Scorecard would inform individual objective section while aligning corporate, team and individual goals.

The structure of the individual performance review process was then designed based on an informed view of the organisational behaviours desired. The system adopted involved different objective-setting approaches at three levels:

1. At the top level, a 'Destination Statement' with three-year goals and a 'Strategy Map' of annual objectives, which were collectively and consensually developed by the senior management team through workshops, would be developed.
2. At the second or departmental level, annual objectives would be set to support top-level goals chosen by the departmental management teams.
3. At the third or individual level, annual individual task and developmental objectives are chosen by the employees in conjunction with their line manager.

The Destination Statement

The design process briefly began with the construction by the executive board of an agreed Corporate Destination Statement. This was a well-defined picture of the future (out to a five-year time horizon) for Sanskriti Engineering Company. The Destination Statement comprised some two pages and 52 meaningful statements about the intended future state of Sanskriti Engineering Company.

The purpose of the Destination Statement was to:

1. gain consensus on strategy;
2. provide an effective tool for internal strategic communication;
3. enable departments, teams and staff to identify their potential contribution to achieving the destination;
4. provide a degree of long-term context and scale for the setting of intermediate-term targets, and criticality;
5. to inform the development of a Strategic Linkage Model, the next stage in the process.

The Strategic Linkage Model (SLM)

The Senior Management Team moved on to design a Strategic Linkage Model (SLM). The SLM documented Sanskriti Engineering Company's strategic objectives and the causal relationships amongst the objectives. A mix of activity-type and outcome-type objectives showed diagrammatically the priority items that the Management Team needed to focus on over the next 12 to 24 months in order to progress towards the Destination Statement.

Sanskriti Engineering Company's activity-type strategic objectives were related to developing new lines of business; strengthening internal communications; improving regulator relationships and building compliance capabilities and so on.

Sanskriti Engineering Company's outcome-type strategic objectives were focused on achieving key financial goals; gaining HQ strategic consensus; becoming "insurer of choice"; developing positive regulator perceptions and so on.

At the corporate level, these activity and outcome objectives were developed into detailed Objective Statements, with corresponding measures and targets.

Cascading the Corporate Strategy

Departmental management teams next designed mini-SLMs for their departments. Each SLM documented the department's strategic objectives. Derived from the Corporate Destination Statement, SLM and strategic objective definitions, the departmental SLMs identified how the department would contribute to achieving corporate goals. In order to reduce complexity, departments took a maximum of five activity-type objectives and five outcome-type objectives.

The objectives were revised and validated with the responsible Director of the company in a form of contracting with their departments. Finally, each department's SLM was shared with all other departments, thus promoting strategic communication.

The rationale for building these departmental SLMs was that they enabled departmental consensus on short- to medium-term priorities. Further, they clarified the few departmental strategic activities required and the few strategic outcomes sought, in support of corporate strategy. Finally, as will be explained next, they would help with measures selection at personal level.

The Final Step: Selecting Personal Objectives

All the members of staff defined a handful of personal objectives for the year ahead. The principles of personal objective selection were as follows:

1. A maximum of three business objectives and two development objectives (e.g. training) were selected per person.
2. The personal objectives were to directly support a departmental or corporate strategic objective.
3. The objectives would be weighted for importance, with a maximum weighting for development goals—20% for new hires and 5% for experienced staff.
4. Managers had more outcome-type objectives and staff more activity-type objectives.
5. Each personal objective had a measure and target for the year ahead.
6. The objectives and targets across individual members of a department should ‘add up’ to the departmental objectives and targets.

Pedagogical Objectives

- To understand the process of performance management in an organisation
- To discuss how performance management influences work in industry
- To discuss and debate the methods of performance management to support organisational objectives

Questions

1. Managing Director of Sanskriti Engineering Company decided to have a re-look at the performance management of the company? Do you agree with the decision of the Managing Director? Elucidate.
2. Sanskriti Engineering Company established three sets of objectives for three levels of employees. Do you think it caused stress for subordinates?
3. The individual had two sets of objectives? Why?
4. Is it mandatory for an organization to force employees especially in middle management to have two personal training goals?

Chapter 11

Training and Development Needs

Training and development is an important organisational activity. The aim of this activity is to develop the knowledge, skills and abilities of employees in order to ensure that they will perform their present assignments as well as future ones effectively. This case focuses on the experience of Aditi in training and development. Aditi was appointed as the Senior Customer Service Officer in a company. Naturally, she was excited about her new position and was looking forward to her work and its future prospects. She was instructed to participate in a training programme, which aimed at providing her with the skills required for her new position. The course was of a week's duration. Though Aditi was excited and confident, but she was a bit anxious. She met some people whom she knew, which helped her to reduce the nervousness.

Aditi was excited because she wanted to be an effective senior customer service officer. She was sure that she could handle the job with support from her manager. She, however, thought that training would help her to perform well in her new role but she was a little uncertain about how she might cope. Aditi was excited when she entered the training room. The trainer introduced herself and went on with the training. The trainer used the lecture style in training. Although the trainees were given opportunity to raise questions, they did not. Aditi felt that she was heading down a path going to unknown destination.

Aditi and the other trainees although excited about the training, were dissatisfied with the process. Perhaps one cause of dissatisfaction was the fact that the training needs of Aditi were not identified before she was ordered to undergo the training. Needs assessment is an important phase in training and development. During needs assessment, the organisation or the human resource representative systematically analyses job-related needs and identify the objectives of training.

The training programme was also conducted offsite at Training Skill Co., which had created training assest in its location for imparting training. The management of Aditi's company was satisfied with the facilities provided. In the case of Aditi, she was not comfortable with the environment at Training Skill Co. The training took place at night after her work, and travelling from her workplace to the place where the training was imparted was tiring.

Another problem faced by Aditi was that the trainer did not explain the goals and objectives of the training programme as well as what the trainees are expected to achieve at the end of the programme. She also did not tell the trainees what is expected from them. This is a source of problem for the trainees because they have no idea what the training is about and its importance to them. They have no way of measuring whether the objectives of the training were being achieved or whether they are achieving what the organisation is expecting them to achieve.

The trainer imparted the classroom-type training. Although this method has benefits, problems may arise when the trainer only uses this method. The classroom-type training lacks discussion. Although the trainees were given opportunity to ask questions, what was needed was discussion between the trainer and the trainees. The trainer should have encouraged the trainees to freely exchange knowledge, ideas and opinions on the subject.

From the above case, it can be inferred that the training programme was ineffective. The main reason for ineffectiveness was lack of opportunities for the trainees to apply what they learned and because learning process was trapped in a one-way process, wherein the trainer gives information while the trainees just receive it. There was no effort on the part of the trainer to encourage the trainees to share their learning experiences and their problems with her and with other fellow trainees.

Aditi was also surprised that at the end of training there was no evaluation.

Pedagogical Objectives

- To understand the need for training and development in an organisation
- To discuss how training and development influences work in industry
- To discuss and debate the methods of training and development to support organisational and individual objectives

Questions

1. What was the reason behind Aditi's dissatisfaction?
2. What is the importance of need analysis?
3. Why is it important to mix training methods during the conduct of training?
4. Is it necessary to impart training on site? What are its advantages and disadvantages? Which one do you recommend?

Glossary

Ability: It is the blend of natural aptitudes and learned capabilities required to successfully complete a task.

Accident proneness : It is the continuing tendency of a person to face accidents as a result of his/her stable and persisting characteristics.

Action learning: It involves a variety of experiential learning activities in which employees are involved. These learning activities can involve a “real, complex and stressful problem”. Action learning usually takes place in groups and teams with immediate relevance to the company.

Action research:. It is a data-based, problem-oriented process that diagnoses the need for change, introduces the intervention and then evaluates and stabilises the desired change.

Adaptive culture: It is an organisational culture in which the employees focus on the changing needs of customers and other stakeholders and support initiatives to keep pace with these changes.

Adding value: By adding value, the *process* must achieve the outcomes that significantly increase the organisation’s capability to differentiate it from the other similar organisations and thereby boost its performance and enhance its growth and development. By doing so, it must also ensure that the cost that has been incurred is offset by the value generated.

Adverse impact: The extent to which an assessment methodology produces different mean scores or success rates for different groups (social, ethnic, gender, religious, etc.). This is often expressed by the proportion of a standard deviation by which the minority group’s mean score is different from the mean score of the majority group.

Assessment centre: This is a popular assessment technique that comprises a range of assessment methodologies. The defining feature of an assessment centre is some simulation of the task. The simulation of the job gives individuals a degree of insight into what is involved in the role.

Artefacts: These are observable symbols and signs of an organisation’s culture.

Attitude: It is a learned orientation or disposition towards an object, person, situation or issue that makes an individual react to them in either favourable or unfavourable manner. Attitudes are learned and we carry them around like our habits. It is the attitude that makes an individual to react in a particular manner.

- Positive attitude implies a way of thinking that is predominantly positive and optimistic.
- Negative attitude is the opposite inclination that is predominantly pessimistic.

Attribution process: It is the perceptual process of deciding whether an observed behaviour or event is caused largely by internal or external factors.

Autonomy: The amount of control an individual has over his or her work life is called autonomy. It can relate to performance goals (the outputs of a role) and performance methodologies (the way in which goals are achieved). Increased autonomy is normally associated with higher levels of job satisfaction. However, too much autonomy can involve a high level of role ambiguity and role uncertainty, which can be potent sources of stress for many individuals.

Balanced score card: It is a reward system that pays incentive or bonuses for improved results on a composite of financial customer, internal process and employee factor.

Behaviour modification: The attempt to change behavioural responses by adjusting the environmental consequences of responses is referred to as behaviour modification. It is fairly commonplace in therapeutic settings, for example to increase the social interaction of a patient. It is less common in work settings where behavioural responses such as greeting customers are targeted. Its advocates claim that it has impressive success rates, while the critics claim that it is highly manipulative and undermines human dignity.

‘Big Five’ personality dimension: The five abstract dimensions representing most personality traits are: conscientiousness, agreeableness, neuroticism, openness to experience and extroversion (CANOE).

Biodata: Biodata is based on a simple psychological truism that the best predictor of future performance is past performance. In practice, biodata involves the combination of biographical information, normally statistically weighed so as to produce a score that can be used as a predictor of job-relevant criteria such as tenure, sales and success in training. The technique tends to be underutilised in the UK but is very popular in the USA with test publishers producing generic biodata questionnaires.

Boredom: It is an unpleasant, transient affective state in which the individual feels a pervasive lack of interest and difficulty in concentrating on the current activity.

Bounded rationality: It is an influential concept developed by The Chicago School of Professional Psychology during 1950s and 1960s. It challenged the rationalist perspectives and suggested that the rationality of actual economic and firm behaviour was always partial, or ‘bounded’ by human limitations. This concept also implied limited processing and imperfect information and satisfying rather than maximising when choosing among alternatives.

Brainstorming: A freewheeling, face-to-face meeting where team members are not allowed to criticise but are encouraged to speak freely, generates as many ideas possible and builds on the ideas of the others.

Burnout: It is an extreme emotional state characterised by emotional exhaustion, cynicism and a diminished sense of personal accomplishment. Originally identified in social workers, the concept is now applied more generally. One of the major problems with burnout research is establishing whether it is a cause or an effect of other responses such as job satisfaction and work performance.

Care principle: It is the moral principle stating that we should benefit those with whom we have special relationship.

Career: The total sequence of employment-related positions, roles, activities and experiences encountered by an individual’ (Jackson 2000).

Causation of Behaviour: Behaviour is caused by stimulating situation which acts on person to behave in some sort of way and may lead to some accomplishment (Durley 2005).

Centrality: The degree and nature of interdependence between the power holder and others.

Change management: The leadership and direction of the process of organisational transformation, especially in regard to human aspects and overcoming resistance to change.

- Charismatic leadership:** It is used in the leadership literature to describe those leaders who can make followers feel they are 'on a mission'. Charisma seems to have psychological effects. In Freudian terms, it engenders a psychological confusion about who they are and by what means we may be encouraged to transfer our feelings about those who took care of us early on in our life. Charisma, therefore, encourages regression such that we become somewhat dependent on charismatic leaders (for example, to make difficult decisions on our behalf). Charisma is, therefore, better seen as the outcome of a process projection rather than as a trait.
- Classical conditioning:** It is the learning that results from the association of stimuli with reflex responses. For example, punitive authority figures experienced early on in life may reflexively elicit feelings of anxiety, which become 'conditioned', creating patterns of emotional responses that carry on into adult life. Classical conditioning is used in clinical settings to help patients 'unlearn' anxieties such as phobias. In the workplace, it can help individuals understand some emotional responses and the behaviours generated by these. However, as a framework for understanding higher forms of learning, it is limited.
- Classical theory:** It is the first recognised school of organisation theory, based on F.W. Taylor's Scientific Management and extending to studies of work and administrative systems. The theory emphasises on a 'formal' approach to organisations.
- Coalition:** It is one of the central tactics of power whereby two or more interest groups informally join forces in order to increase their joint power in relation to another group or groups.
- Cognitive:** This idea is concerned with the psychological processes of perception, memory, thinking and learning (Coffield, et al, 2004).
- Competency:** It is an underlying characteristic of an individual that is causally related to effective or superior performance.
- Competency models:** They are seen as providing a common language for organisations to define the requirements of a role and assess individuals.
- Competencies:** These are 'the set of character features, knowledge, skills, attitudes, motives and traits that comprise the profile of a job holder and enable him or her to perform effectively in his or her role' (Harrison 2005).
- Consideration:** It is one of the two factors identified statistically by the researchers at Ohio State University. It is a statistical factor that emerges from correlations between questions emphasising the importance of good relationships with subordinates. The leaders who score high tend to be supportive, encouraging and attempt to arbitrate in order to maintain effective relationships.
- Constructs:** Constructs are a set of dimensions used by individuals to differentiate between people, things and events. Individuals appear to possess a stable preference for using particular constructs to differentiate between the individuals they are interacting with. Constructs in skill terms, therefore, provide the 'action-relevant categories' that people collect information with.
- Contingency theory:** This theory suggested that appropriate structures are 'contingent' on a variety of contextual factors, such as size, technology and environment.
- Coping styles:** These styles attempt to capture the variety of ways in which individuals try to cope with the demands of the environment. A common distinction is between *problem-* and *emotion-*focused strategies. There are many competing frameworks for describing and understanding coping styles. One important question is whether they genuinely capture the diversity of the stress experience.
- Counselling:** It entails studying the facts about abnormal behaviour and their treatment.
- Counter cultures:* These have a pattern of values and a philosophy that rejects the surrounding culture (Agor 1989).

Decision-making: It refers to a focus on everyday managerial interaction and not on the optimal definition of individual decisions.

Decision-making theories: These are a cluster of theories of organisation developed mainly by American writers in the 1980s, each of whom developed a distinctive aspect of why managerial decision-making was only partly rational.

Dependency: It is the view (derived from the systems theories) that the possession of organisational power can be explained by the extent to which organisations are dependent on particular groups or individuals to cope with the key areas of uncertainty.

Depersonalisation: The tendency to see 'out-group' members as more similar than they actually are is called depersonalisation. It means that in-group members tend to treat out-group members not as unique and differentiated individuals but as members of a social group assumed to possess particular characteristics.

Deskilling: Braverman's thesis says that skill represents the central asset possessed by workers, and those modern capitalist systems of work design, like Taylorism, degrade or deskill work as a means of controlling and cheapening it.

Developmental Psychology: This branch of psychology studies how various forms of behaviour develop and grow in time as man grows.

Dialogic Learning: A style of learning that involves interacting with others in a way that produces a growing understanding of the culture of the organisation and how the organisation typically achieves its goals (Mezirow 1985).

Diffusion: It is the process by which management knowledge and ideas are disseminated or spread. It involves mediating groups, such as consultants and gurus, that act as agents of dissemination.

Disciplinary powers: It is Foucault's notion that in modern societies power and control were not some imposed structures but were dispersed in all social relations. Power is sustained by 'disciplines', such as regimes of professional expertise and technologies of surveillance.

Double loop learning: It is a concept to describe the style of learning that involves questioning why certain problems occur in the first place and identifying and tackling root causes instead of only surface symptoms (Argyris 1977).

Educate: It means the following:

- To bring up from childhood so as to form habits, manners, mental and physical aptitudes (Onions 1973)
- To give intellectual, moral and social instruction, especially as a formal and prolonged process (Pearsall and Trumble 1996)

Educational Psychology: This involves studies of behaviour related to the process of learning and education.

Effective group: This is a group that achieves high levels of task performance, member satisfaction and team viability.

Effective leadership: The employees perform in accordance with the manager's intentions and at the same time, find their own needs satisfied. The positive feeling of the employees usually contribute to long-term benefits, such as loyalty, support and job satisfaction, an important component of intrinsic motivation.

Employee involvement: *This* is a recent movement in work improvement since the 1990s, which emphasises a wide range of methods, including communications and changes in work culture as well as work redesign.

- Empowerment:** It is the process of displacing decision-making downwards to the workforce or lower levels of management, to enable them to use their skills more effectively and flexibly. The emphasis is often on better engagement with customers.
- Environment:** *Physical environment* of employees' immediate area primarily involves physical enclosure of work area, adjustable furniture and equipment, natural elements and personalised decor (Kaplan and Kaplan 1989), and presence of windows, light, etc. in the work area. *Ambient environmental* qualities of work area involve speech privacy and noise control (Hedge 1991), controllable level of social diversity, good mix of private (Oldham, 1988) and team space.
- Ergonomics:** It involves improving physical facilities for human to ease their work and combining human and technology to optimise results and efficiency.
- Equal value work:** It refers to the work that is deemed to be of the same value (in terms of factors like skill and responsibility) as other, though of different nature, so that different jobs can nevertheless be rewarded equally.
- Equity theory:** This view of motivation focuses on the comparison processes people utilise to assess whether their rewards equate with their inputs. It encourages the consideration of what social comparisons are operating. The equity theory suggests that individuals strive towards equity, where inputs and outputs are deemed to be fair. It also explores how individuals react to conditions of overpayment and underpayment.
- Experimental psychology:** It uses experimentation as a method of studying behaviour.
- Explicit knowledge:** It refers to the knowledge that has been articulated and codified.
- Faces of power:** it is the influential approach developed by Lukes, according to which theories of power can be divided into three major perspectives (or 'faces')—behavioural, decision-making and radical theories.
- Factor analysis:** It is a statistical technique that helps in reducing large data sets to the smallest number of 'factors' required to 'explaining' the pattern of relationships in the data. It has fierce advocates and vehement critics. The former see it as neutral and scientific. The latter argue that it generates statistical abstractions, which have little explanatory value and are not necessarily psychologically meaningful.
- Fashion perspective:** It is the view that changes in management knowledge can be compared with changes in popular taste. In particular, management ideas often display a fashion life cycle of growth and decline.
- Fatigue:** In the words of Morris Viteles (1932), 'it is a reduced capacity for doing work' It is caused by work of muscles in which resulting expenditure of energy is at a faster rate than is its recovery. Fatigue in industry is not localised and spreads to the whole individual.
- Five-factor model:** It is a popular factor model analytically derived from personality. Five-factor theorists argue that much of the variation we observe in each other's personalities can to a large extent be 'explained' by using just five factors: extraversion, neuroticism, agreeableness, conformity and openness to experience. However, critics of this approach argue that it represents a gross oversimplification of the complexities of personality.
- Flexible firm:** It is a type of organisation in which overall flexibility comes from having a core group of high-skill employees (functional flexibility) and a periphery of less-secure workers that can be expanded or contracted (numerical flexibility).
- Flexible specialization:** This term, coined by Sabel, indicates idealised models of high-skill innovative production that have been linked with the German industrial system.

- Fordism:** It is the dominant method of production used largely in the last century. Identified with mass production and assembly-line technology, Fordism is characterised by large-scale semi-skilled workforce, standardised production and work control via Taylorism.
- Formal group:** A formal group is officially designed to serve a specific organisational purpose. The formal network of an organisation can be typically represented by the 'organisational chart', which prescribes a pattern for officially sanctioned messages.
- Formalization:** It is done in an organisation by laying down rules and regulations to regulate the behaviour of an employee.
- Function:** It is the body of activity that has to be provided to the organisation and the personnel most directly responsible for that provision.
- Functional job analysis:** It is a worker-oriented job analysis approach that attempts to describe the whole person on the job.
- G:** It is the idea that intelligence is one thing. G has been one of the most enduring ideas in psychology. The general ability factor, identified initially with factor analysis, suggests that if someone is good at one kind of test (e.g. verbal reasoning), the chances are that they will be good at any another kind (e.g. spatial reasoning). Critics of G see the emphasis on one general factor as obscuring important differences in our individual ability structures.
- Gendering process:** It is a perspective that sees gender segregation as continually sustained and negotiated by specific groups of actors (rather than as an imposed structure of discrimination).
- General Adaptation Syndrome:** This refers to adapting to external stressors involving a set of similar reactions. The discovery of the general adaptation syndrome established stress as a distinct area of research. However, seeing stress as essentially a response is criticised for being too narrow and excluding other important facets of stress such as the impact of an individual's 'appraisal' of a stressor.
- Goal-setting:** The motivational impact of being involved in setting performance goals for the work role an individual occupies. Like knowledge of results, although goal-setting appears to have positive motivational properties it can be organisationally difficult to implement as it involves managers being willing to share some power with subordinates. Often goals are set (such as share price) over which an individual worker in reality has no control.
- Grapevine:** It is a community phenomenon of crossing hierarchical levels, functional roles and professional affiliations (Sthol 1995).
- Group:** 'A group is a collection of individuals who have relations to one and another' (Cartwright and Zander 1968).
- Group cohesiveness:** It is the extent to which group members like and trust one another and are committed to accomplishing team goal and share a feeling of group pride (Beale, Cohen, Burke and McLendon 2003).
- Group technologies:** It is the set of job redesign techniques based around group working, rather than the individual, isolated worker.
- Group think:** This is an extreme form of consensus in which the group thinks as a unit rather than as a collection of individuals.
- Hierarchy of needs:** The suggestion that more or less all of us are motivated by the same set of needs and that, as we mature psychologically and to the extent that our circumstances allow, we all progress up a hierarchy of needs by first fulfilling 'lower-order' needs such as physiological and safety needs to the point where our behaviour is increasingly motivated by 'higher-order' psychological needs, such as the need to 'self-actualise', fulfil our potential as human beings. Though an extremely influential

idea and often taught as if it were true, there is actually very little strong empirical evidence for the existence of such a hierarchy.

Holism: It is the view that social phenomena are integrated into single wholes (such as a common culture). Holism opposes the mechanistic view that analyses events by breaking them down into constituent parts. It suggests that the essence of the whole is present in all parts and hence often places importance on mundane events, which are seen as microcosms of the whole.

Holistic view: It is the idea of looking at a system, situation, organisation, collection of activities as a whole that is greater than the mere sum of its parts.

Homogeneity: Homogeneity is the extent to which group members share similar characteristics such as similar attitudes, values and personalities. It can enhance the cohesiveness of the group, the perception of a shared identity. But too much homogeneity is presumed not to be a good thing for effective team functioning as it may lead to little challenge of a consensus. Homogeneity is the opposite of heterogeneity, the extent to which group members differ in their characteristics. Research supports the idea that a moderate degree of heterogeneity supports effective team functioning.

Human capital: The knowledge, skills, competencies and attributes embodied in individuals that facilitate the creation of personal, social and economic well-being (OECD 2001, p. 18).

Impression management: This assumes that, contrary to static trait-based explanations of human behaviour, social life is much more dynamic and creative. From this perspective, individuals are seen as being constantly involved in 'impression management' attempting to define themselves and the encounter they are involved in.

Industrial accidents: Psychologists think of an accident as 'an unexpected occurrence resulting in actual physical damage to a living being, or to a non-living or inanimate entity'.

Industrial morale: It is the possession of feeling on the part of an employee or a group of employees being accepted and belonging to the work group and organisation, through adherence to common goals and having confidence in the desirability of these goals.

Industrial Psychology: This calls for application of the facts and principles of psychology to the behaviour of the people working in the industry.

Definition: Industrial psychology is the study of people at work in industry and in business. It is the study of their aptitudes and their qualifications for jobs (Harrell 1964).

Aim: 'The aim of industrial psychology is primarily not to obtain greater production or output but to give the worker greater ease at his work (C.S. Meyers).

Purpose: The purpose of industrial psychology is 'to enhance the dignity and performance of human beings and in the organisations they work, by advancing the science and knowledge of human behaviour' (Rucci 2008).

Industrial psychological tests: Psychological tests are carefully developed instruments, following standardised and often intricate procedures. These tests meet the criteria of validity and reliability and are objective, easily interpretable and standardised (Kaplan and Saccuzzo 2005).

Informal careers: Informal careers are those that exist outside the (formal) career structure of organisations and professions, typically the sort of careers that women have and often occur in secondary occupations and sectors.

Informal groups: These groups emerge without being officially designated by the organisation. They are formed spontaneously through personal relationships or special interest and not by any specific organisational endorsement.

Initiating structure: This is one of the two factors identified by the researchers at Ohio State University in their factor analytic study of leadership behaviours. Initiating structure is a statistically arrived

dimension emerging from correlations between responses to the questions describing the need to define and complete activities. These researchers have been criticised for not developing a theoretical account of what their dimensions might reflect in personality or motivational terms.

Insidious power: It is an extension of Weber's original emphasis on indirect forms of control. Insidious forms of power are not obvious or oppressive. They are based on forms of self-control and unnoticed rules. Compare this with Foucault's notion of 'disciplinary power'.

Institutional perspective: It is the view that new knowledge is often taken up in organisations under pressure from wider 'institutional' forces, such as the state or competitive forces. This produces 'isomorphism' whereby many organisations end up adopting the same ideas.

Intelligence: Numerous competing definitions exist for one of the most controversial concepts in psychology. However, the most influential in the assessment of intelligence in workplace settings is 'the innate ability to perceive relationships and identify co-relationships'. The assumption is that much of the variation in intelligence can be explained by one general ability factor (G).

Intelligence quotient (IQ): Currently, IQ is calculated by estimating where, under the normal distribution curve, someone's performance on an IQ test places him or her. The curve is standardised such that the mean score is 100 and the standard deviation around the mean is 15. An average IQ is, therefore, between 85 and 115. The scale will go from 55 to 145 (three standard deviations below and above the mean).

Interview: It is 'a face-to-face, oral, observational and personal-appraisal method' (Jucius Michael 1971).

Job analysis: This is 'a major support activity for the primary functional activities of organisational staffing, employee training and development, employee compensation, labour relations and job design. Jobs are analysed in order to identify the abilities and requirements necessary for an employee to complete a task successfully and to identify rewards associated with the job and how these rewards can be used to motivate employee work behaviour and satisfy important employee needs.

Job characteristics mode: This is a popular model of motivation and job satisfaction. It combines measurement of objective characteristics of work and psychological states in an attempt to explain and predict the 'motivational potential' of a job. The model has provided some of the core constructs used in job satisfaction research. However, the model is criticised for not including some important elements of job roles such as the management practices that impact them.

Job descriptive index: It is a popular scale for measuring job satisfaction. It measures Smith's five facets of job, viz., work, pay, promotions, co-workers and supervision (Smith, Kendall and Hulin 1969).

Job enrichment: It is the provision of genuine and meaningful humanisation of work (as opposed to low-level improvements) based on the introduction of more varied, autonomous and complete work tasks.

Job satisfaction: This is simply how people feel about their jobs and the different aspects of their jobs. It is the extent to which people like (satisfaction) or dislike (dissatisfaction) their job (Spector 1997).

Job satisfaction survey: This procedure assesses nine facets of job satisfaction, viz., pay, promotion, supervision, fringe benefits, contingent rewards, operating conditions, co-workers, nature of work and communication. The scale contains thirty-six items and uses a summated rating scale format. Each of the nine facet subscales contain four items and a total satisfaction score can be computed by combining all the items.

Knowledge: Knowledge can be viewed as a type of commodity—something 'out there' that can be searched out and acquired, assessed, codified and distributed across the organisation. In this sense, it is an intan-

gible asset that can have unique competitive value for an organisation. Yet knowledge can be viewed as a process, emerging from within the individual but intimately shaped by relations with others. In this sense, knowledge is dynamic, changing as the individual's understanding and interpretation of the world around him or her changes. (Harrison 2005, p. xix)

The knowledge contract: It is when the employees believe their skills are being adequately used and their knowledge is being developed to make them increasingly competent.

Knowledge management: It is a term often used to describe the capture and storage of information, usually by electronic means, although in its broader sense, it refers to 'using the ideas and experience of employees, customers and suppliers to improve the organisation's performance. It has come into regular use for three reasons:

1. The use of knowledge as a competitive weapon
2. The increasing awareness of how easy it is to lose knowledge
3. New technology's facilitation of knowledge sharing (Skapinker 2002)

Knowledge productivity: It is a term coined by Professor Joseph Kessels (1996) to refer to an organisation's ability to generate, disseminate and apply knowledge to products, processes and services. Knowledge productivity should, therefore, enable an organisation to continuously develop, adapt, improve and regularly innovate.

Knowledge of result: This concept refers to the motivational impact of feedback of the outcomes of performance. Although knowledge of results has a well-established motivational effect, in reality in workplace settings, information is often only provided if performance falls below a threshold. Providing knowledge of results can also run counter to the culture of an organisation if, for example, historically information on the performance of contracts was restricted to a small group of senior managers.

Key Skills: The six 'key skills' identified in the UK government's educational strategy are

1. Communication
2. Use of information technology
3. Working with others
4. Improving own learning and performance
5. Problem solving
6. Working with numbers—mathematical skills

In addition to the above, there is one more skill that is a must for Indian—language skills.

Leadership: It is the process of directing and influencing the task-related activities of group members.

Leadership style: This refers to the characteristic approach to leadership demonstrated by a leader. One influential framework developed by the University of Michigan, differentiates between democratic and autocratic leadership styles. Democratic leadership styles reduce the power differential between leaders and subordinates.

Learning: This can be defined as the cognitive and physical activity that gives rise to a relatively permanent change in knowledge, skill or attitude. A distinction is often made between declarative learning, which increases knowledge of facts and procedural learning, which improves knowledge of procedures. Most workplace learning involves a mixture of both. *Learning* is a qualitative change in a person's way of seeing, experiencing, understanding and conceptualising something in the real world (Marton and Ramsden 1988).

Management development: This is the process by which managers acquire not only skills and competencies in their present jobs but also capabilities for future managerial tasks of increasing difficulty and scope (Chhabra, Ahuja and Jain 1997).

Managerial rationality: The view that behaviour is controllable and predictable and that it is directed towards achieving formal organisational goals is referred to as managerial rationality.

Monotony: It has been stated as ‘an environment in which there is either no change or change occurs in a repetitive and highly predictive fashion over which the individual has little or no control’ (Kroemer, 2003).

Motion study: It consists of dividing work into the most fundamental elements possible, studying these elements separately and in relation to one another and from these studied elements building the methods of least waste (Frank Gilbreth).

Motivation:

Definition: Luthan (1998) has defined motivation as ‘a process that starts with a physiological deficiency or need that activates behaviour or a drive that is aimed at a goal incentive’.

Intrinsic motivation: It is the process by which people can motivate themselves by seeking, finding and carrying out work (or being given work) that satisfies their needs or at least leads them to expect that their goals will be achieved.

Extrinsic Motivation: It is the process by which people can be motivated through such external methods as pay, promotion, perks, etc.

Nervous fatigue: This results from constant hurry and worry, emotional strains and, in general, trying to work to the maximum of one’s capacity in complex situations.

New technology: It is a term coined around the mid-1970s to describe technical systems based on information technology and the microprocessor. New technology has a massive and still-expanding range of applications in most industrial and commercial operations.

Norm: It is a rule that governs or constrains the behaviour of group members. The norms in the workplace can relate directly to performance by dictating acceptable levels of quality and quantity. They also exist to determine attitudes towards timekeeping, absenteeism and standards of personal appearance. The norms are powerful determinants of behaviour. They can work to support the interests of senior management or can operate to undermine them.

Norming: This is a framework for understanding the development of groups, which suggests that one important stage that groups go through is the development of norms and the way in which tasks will be tackled and members will relate to one another.

Objective of test: A test is considered to be objective when the examiner can easily determine the correctness of the answers of the respondent, for example, when the test can be marked with a marking key (Flippo 1976).

Occupation: This refers to a group of jobs that are similar as to kind of work or that possess common characteristics. There is similarity in the kind of work and certain characteristics.

Operant conditioning: The arrangement of environmental contingencies, i.e., what follows a response to strengthen or weaken the connection between a stimulus and a response. This framework for understanding how we learn has been extremely influential from the 1950s onwards. Its impact can be seen nowadays in ‘programmed instruction’, where there is a very tight specification of stimulus and response and a clear connection between responses and reward. It is also visible in the ‘competence revolution’, which specifies job demands in clear behavioural terms. Critics argue that it fails to take any account of the ‘black box’, i.e., what is happening in someone’s mind when they are learning.

Organisation: This involves all the elements of organisational design; not only the formal structures of organisational charts but also the systems, processes and people dimensions that are essential to making these work (CIPD 2003b).

Organising: These refer to the dynamic process needed for organisational design to be effectively implemented and regularly renewed. The skills involved in how to organise and regularly re-organise are as important as knowing what organisational designs to choose (Whittington and Mayer 2002).

Organisational context: The internal and external organisational circumstances that shape and help to explain the organisational situation that is being examined. Often organisational context is summarised by reference to culture and structure, but they themselves emerge from the interplay of more fundamental factors. Research indicates that three of the most powerful factors are:

1. Top management's vision and values
2. Line management's style and actions at all organisational levels
3. HR strategies and practices (Harrison 2005)

Organisational culture: It is the set of beliefs, values and norms, together with symbols like dramatised events and personalities, that represent the unique character of an organisation and provides the context for action in it and by it.

Organisational design: It involves the application of principles discovered by theories of organisation structure to plan the relations between departments, the grouping of tasks and the flow of work in organisations. Modern theories that reflect the variety of managerial choice also imply a wide range of different designs.

Paradigm shift: It is a permanent change in the established pattern of thinking by organisational members about their work organisation; a radical shift in the way they understand their world.

Perception: This is a complex process and what an individual perceives is mainly determined by the interpretation that the brain makes of the various impulses it receives from sense organs.

Performance: It means both behaviours and results. Behaviours emanate from the performer and transform performance from abstraction to action. Not just the instruments for results, behaviours are also outcomes in their own right—the product of mental and physical effort applied to tasks—and can be judged apart from results Brumbrach (1988).

Personality: It is defined as the relatively enduring combination of traits that makes an individual unique and at the same time produces consistencies in his or her thought and behaviour.

Performance Management: It is the process that contributes to the effective management of individuals and teams in order to achieve high levels of organisational performance. As such, it establishes shared understanding about what is to be achieved and an approach to leading and developing people, which will ensure that it is achieved (Baron 2004).

Personality Psychology: It attempts to build a comprehensive picture of human personality.

Physical fatigue: It 'arises mainly from extensive use of one or more muscles' (Forbes, 1943, pp. 156).

Position: It is the location assigned to an individual in an organisation for accomplishment of tasks assigned.

Post-Fordism and neo-Fordism: These are new systems of work that succeeded the Fordist system and arise out of the so-called crisis of Fordism. Post-Fordism refers to any succeeding system, while neo-Fordism implies that the new system is not truly innovative but only a refinement or modification of basic Fordist principles.

Power resources: It is the scheme of categories or types of power developed by French and Raven. This suggests there are five distinct bases or resources that organisational power-holders rely on—reward power, coercive power, legitimate power, referent power and expert power.

Professionalism: The process by which given occupations become professions, in the sense of attaining professional status. The emphasis here is on the strategies that occupations adopt (e.g. competing with rival professional groups or developing powerful professional associations) rather than whether they possess the traits or features that correspond with some model of a profession.

Psychological contract: It has been defined as ‘... the perceptions of the two parties, employee and employer, of what their mutual obligations are towards each other’. It is the psychological contract that effectively tells employees what they are required to do in order to meet their side of the bargain and what they can expect from their job.

Psychodynamic theory: This theory assumes that much of our behaviour stems from ‘the unconscious’, which houses our basic instinctual needs (essentially sex and aggression) and reconciling the satisfaction of these with the requirements of reality leads to conflicts. The ‘defence mechanisms’ we develop to manage these conflicts become an important part of our behaviour. Critics of this tradition argue that it is essentially unscientific. It utilises unobservable phenomena and generates hypotheses that are difficult to falsify.

Psychometrics: It concerns mainly with the accurate description and measurement of psychological characteristics of human beings.

Psychometric tests: Derived from the Greek words for mental and measurement, psychometric tests attempt to quantify some psychological attribute or attributes of an individual. The technical quality of psychometric tests varies enormously. The standard psychometric technical requirements are reliability and validity. But in addition to whatever technical merits tests possess, test usage has attracted other criticisms.

Insensitive test administration, a lack of understanding of the ‘status of the evidence’ (e.g., assuming personality tests provide straightforward insights into personality) and using the wrong tests for a role have all served to undermine the potential value of psychometric tests to individuals and organisations.

Psychometrician: A psychometrician is ‘a practitioner of psychometrics; an individual who normally holds a doctoral degree in measurement or a discipline of psychology (such as educational or industrial/organisational psychology) and who can understand, apply and describe the science and technology of mental measurement’ (Durley 2005).

Realistic job preview: It provides complete job-related information, both positive and negative, to the candidate.

Reflexivity: It is the ability of a team to reflect critically on the way it tackles tasks or the members can relate to one another. This may involve some quite uncomfortable and socially difficult challenges amongst team members. Reflexivity may be encouraged by changes in group membership or interventions by outsiders. One argument is that reflexivity is a basic ingredient for successful complex decision-making groups.

Reliability: It is the degree to which people earn the same score each time they are measured or the ability of a test to give consistent results. Reliability is expressed as coefficient of reliability, usually determined by repeating the tests to a group of subjects more than once and then correlating scores.

Internal consistency reliability refers to how well all test items can relate to each other.

Test-retest reliability refers to how well results from one administration of the test relate to the results from another administration of the same test at a later time.

Rhetoric: It is the intrinsic persuasiveness contained in particular messages and communications. Particular themes and narratives of fashionable management knowledge can have a powerful rhetorical impact.

Roles: The set of external expectations about a role incumbent’s behaviour. These can be explicit as defined in a job description or can be implicit and acquired through observation and internalisation. Although roles are essentially seen as external to individuals they can exert a powerful influence on behaviour and may through internalisation, have impact on an individual’s attitudes, values and even personality.

- Rules:** Many social psychologists argue that behaviour in social situations is rule governed. Social effectiveness, from this perspective, is determined by the extent to which individuals understand and follow the rules. Most of the rules we follow are so well learned that we are no longer conscious of them and only become aware of them when someone breaks them.
- Scientific management:** Also called Taylorism or the Taylor System, scientific management is a theory of management that analyses and synthesises workflows, with the objective of improving labour productivity.
- Secondment:** This involves sending an employee to work outside the organisation, taking up an assignment or occupying a position in another organisation through secondment for a year or two. Sometimes, in the case of senior people, secondment also involves taking up non-executive directorships in another organisation.
- Selection:** It is the process of making a 'hire' or 'no hire' decision regarding each applicant for a job from a pool of applicants. The process typically involves determining the characteristics required for effective job performance and then measuring the applicant on those characteristics. Selection, thus, is matching of qualifications, skills and abilities of an individual with the job requirement.
- Self-actualisation:** The idea of a hierarchy of needs suggests that the desire to fulfil one's potential is the final cause of motivated behaviour. Once motivated by this need, individuals experience a spiralling need for challenge in their work, which means they are always seeking to develop their capacities and realise their potential. In practice, it has been difficult to define and measure self-actualisation with any rigour.
- Self-stereotyping:** It is the tendency to see members of the in-group as more similar than they actually are. This leads to in-group bias—the tendency to treat in-group members more favourably than out-group members.
- Sex typing (of jobs):** It is the existence of stereotyped attitudes towards men's or women's abilities so that they are seen as fitted for or unsuited for particular forms of work. It is the basis of divisions between men's and women's work.
- Situational leadership:** This view of leadership emphasises the interaction between the leadership style of an individual and the features of the environment he or she is operating in. Situational leadership theories differ in whether they view leadership style as relatively fixed or as something that can be fairly and readily adjusted by the leader to 'fit' the situation. If leadership style is seen as fixed, then it follows that leaders are more effective in some environments than others. Increasing effectiveness would mean changing the environment rather than changing leadership style.
- Situations:** Many social psychologists argue that it is the feature of social situations that has more impact on behaviour than traits. They argue that our behaviour is too variable across situations to infer the existence of the stable underlying entities called traits. For these psychologists, situations are to be understood as discrete entities each with its set of roles, rules, goals and relevant concepts.
- Skilled incompetence:** It is a term coined by Chris Argyris (1996) to describe the way in which once successful organisations rest on their laurels for too long, causing strategies and behavioural patterns to become increasingly inappropriate in the face of new challenges. The learning that once enabled them to become highly competent has become outdated and is now the biggest barrier to their survival.
- Social identity theory:** It is a theory of group formation that stresses the psychological basis of group formation; the need for self-esteem is seen as the basis for our identification with groups and, therefore, our need to see the groups we belong to as positively distinctive. The social identity theory contrasts with accounts of group formation, which stress the functional basis for the existence of groups and inter-group conflict. In the workplace, there is normally a mix of both functional and psychological reasons for conflict between groups.

- Social learning theory:** It is the idea that some forms of social learning are so important that they produce the changes that are sufficiently enduring to be considered a stable part of our personality. It is an important theory in the psychology of individual differences. Critics would argue this tends to underplay the importance of genetic and biological differences.
- Social loafing:** It is the tendency of individual group members to reduce their work effort as group members as the group increases its size.
- Social psychology:** This branch of psychology studies the influence of other people or groups on an individual's behaviour.
- Social skills:** It is a commonplace assumption nowadays, but the idea that social interaction and social life more generally could be viewed as involving a set of skills which were similar to workplace skills was initially controversial. As with other workplace skills, they have a cognitive and behavioural component. These involve constructing effective 'models' of the environment (essentially other people) and developing sets of behavioural routines. Courses enhancing social skills (communicating, listening, self-assertion, negotiation and counselling) are now central features of workplace development.
- Sociometry:** Self-esteem is a part of a sociometer that monitors people's relational value in other people's eyes. Esteem is an indicator of acceptance of persons in a group.
- Socio-technical system:** It is an approach to work redesign advanced by the Tavistock Institute for Human Relations, based on seeing work as a system of social relations between workers, as well as a technical system of formal design.
- Stories:** A particularly coherent aspect of organisational symbolism; stories dramatise specific organisational events; they assemble a cast of characters and a plot and frequently have a functional purpose, such as controlling uncertainty or enabling complex decisions that are to be taken.
- Strain:** The outcome of an inability to deal effectively with stressors, strain is evident in a range of physical and psychological signs and symptoms. The physical evidence of strain is thought to include hypertension, gastric disorders, coronary heart disease, skin disorders and a range of psychosomatic illnesses. Psychologically, strain can result in depression, sleep loss, suspiciousness and burnout.
- Strategy:** It is a route has been chosen for a period of time and from range of options in order to achieve organisational and business goals.
- Strategic choice or managerial choice:** It involves the view that because of the power that organisations dispose of in practice, managers are often not constrained by contextual factors (like technology or environment) but exercise great discretion. Strategic choice is an implied criticism of contingency theory.
- Strategic capability:** Strategic capability provides the vision, the rich and sustained learning and knowledge development, the integrity of purpose and the continuous direction and scope to the activities of the firm that are needed to secure long-term survival. It is based on profound understanding of the competitive environment, of the resource base, capacity and potential of the organisation, of the strategy process and of the values that engender commitment from stakeholders to corporate goals (Harrison and Miller 1999).
- Stress:** It is the result of an interaction between the environment and an individual whereby the individual appraises the demands of the situation and does not have the resources—physical or intellectual—to deal effectively with these demands.
- Stress management:** It entails interventions designed to reduce the impact of stressors in the workplace. These can have an individual focus, aimed at increasing an individual's ability to cope with stressors. A stress-management programme can also have an organisational focus and can attempt to remove the stressors in a role. For example, improving communication may reduce uncertainty. Programmes with an organisational focus are relatively rare.

Stressor: It is an external demand the environment makes on the individual. Stressors in the workplace can also include those embedded in our social relationships, for example a bullying supervisor. They can also be present in the roles we occupy or because of factors such as noise, dust or heat in the physical settings we work in.

Subcultures: These are the groups of individuals with a unique pattern of values and philosophy that is not inconsistent with the organisation's dominant values and philosophy (Schein 1985).

Subjectivity (in the labour process): It is an approach that focuses on the active strategies that all organisational members develop in their work and through which they construct aspects of social identity, often connected with 'positive resistance' or workers resisting in support of the broader interests of being effective in their jobs.

Successful leadership: This has been defined as the ability of a manager to get others to behave as he/she intends them to. In successful leadership, the job is done and the manager's needs may be satisfied, but the employee's needs are ignored.

System: It is a perspective that views organisations (or any social body) as consisting of an interdependent group of units (or subsystems) that pursues some goal or purpose and exists within an environment with which it interacts.

System of professions: It is the set of relationships between clusters of professional groups that often resolves itself into rivalry and conflict, as groups compete for 'jurisdiction' or control over a specified area of work

Taylorism: It is the regime of work control developed by F.W. Taylor. Taylorism or scientific management was the first major industrial system to systematically rationalise and control the work process, by separating skills from the shop floor and fragmenting jobs.

Team: A team is a small number of people with complementary skills, who are committed to a common purpose, set of performance goals and approach for which they hold themselves mutually accountable.

Temporary workgroups: These are the task groups specifically created to solve a problem or perform a defined task.

Therblings: Frank B. Gilbreth and his wife Dr. Lillian M. Gilbreth studied the various movements of the limbs of a bricklayer and classified the bodily movements into basic elements, called *therblings* (a term coined by spelling Gilbreths backwards).

Time studies: These were characterised by the use of stopwatch to time a worker's sequence of motions, with the goal of determining the one best way to perform a job.

Total institution: It is a concept developed by Erving Goffman to indicate an organisation that completely confines and encompasses the lives of inmates, ordering all daily routines and thereby forcibly changing behaviour and self.

Toyotatism: It is the system of production identified with the Japanese auto giant Toyota, especially with its plant in Toyota City. Essentially identical with JIT, the focus on a single manufacturer is intended to stress that the kind of integrated production and supply chain that is the JIT ideal in fact occurs in very few places.

Train: It involves:

- To instruct and discipline in or for some particular art, profession, occupation or practice; to exercise practice, drills (Onions 1973)
- To teach a specified skill especially by practice (Pearsall and Trumble 1996)

Training: It is an organised attempt to assist learning through instruction, observation or practice.

- Transactional leadership style:** This type of leadership emphasises the ‘bread and butter’ aspects of leadership, which are planning, organising, coordinating and timetabling. The leader enters into a transaction with subordinates and compliance is exchanged for reward. This leadership style is differentiated from the transformational leadership style, which is supposed to involve the alignment of subordinates around a vision. However, in organisations both styles of leadership are important. The distinction may also be more apparent than real (see transformational leadership).
- Transformational leadership:** This type of leadership tries to restore the idea of leaders possessing special gifts and abilities. The transformational leader is the leader who is able to energise, align and excite followers by providing a compelling vision of the future.
- Two-factor theory:** The idea that job satisfaction and job dissatisfaction are caused by two separate sets of factors. Job satisfaction is essentially the result of ‘motivators’ (satisfying higher-order psychological needs such as that for self-actualisation). It is caused by the absence of ‘hygiene factors’ such as pay and working conditions that reflect the need to avoid pain. Whilst an extremely influential theory, many doubts have been raised about the independence of these factors and the original research methodology.
- Type-A and Type-B personalities:** Type A represents a cluster of traits that give rise to a hard-driving, work-involved, competitive style and a strong sense of urgency. Type B, in contrast, does not have the same sense of urgency or competitiveness.
- Validity:** The accuracy or usefulness of a test is known as its validity. The validity of a test is expressed as coefficient of correlation, in which test score is correlated with some performance criteria. *Construct validity* refers to the ability of the test to measure the psychological construct that it was designed to measure. *Content validity* refers to the ability of a test to sample adequately the broad range of elements that compose a particular construct. *Criterion-related validity* refers to the ability of a test to predict someone’s performance on something.
- Values:** Kluckhohn, C., et al. (1951) defines value as ‘a conception, explicit and implicit, distinctive of an individual or characteristics of a group, of the desirable which influences the selection from available modes, means and ends of action’.
- VIE theory:** Whilst some theories of motivation assume the existence of psychological ‘needs’, which motivate behaviour, VIE theory stresses the more rational cognitive processes involved.
- Vision:** Vision is general statement of its intended direction that evokes emotional feelings in organisational members (James Higgins and Julian Vincze 1993, p. 5).
- Workers’ resistance:** It is the process of struggle against the control imposed by the labour process. The importance of considering ‘resistance’ lays in the fact that Braverman’s influential theory appears to ignore it.
- Work orientation:** It represents a kind of ‘super attitude’ towards work that constitutes a broad disposition towards certain kinds of employment. The most researched is the instrumental orientation. Work orientations are regarded as ‘externally’ generated from employees’ background, rather than from their experiences within work.
- Work segregation:** It refers to the distortions in the distribution of jobs whereby men or women tend to be pushed into certain kinds of occupations, so that these become highly feminised or masculinised.

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