ORGANIZATIONAL BEHAVIOUR
Acknowledgements

The Commonwealth of Learning wishes to acknowledge the contributions of the course authors and the support of the University of Lesotho in the creation of this course.
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Course Overview</td>
<td>1</td>
</tr>
<tr>
<td>Introduction</td>
<td>1</td>
</tr>
<tr>
<td>Course Goals</td>
<td>1</td>
</tr>
<tr>
<td>Description</td>
<td>1</td>
</tr>
<tr>
<td>Required Readings</td>
<td>2</td>
</tr>
<tr>
<td>Assignments and Projects</td>
<td>2</td>
</tr>
<tr>
<td>Assessment Methods</td>
<td>2</td>
</tr>
<tr>
<td>Course Schedule</td>
<td>2</td>
</tr>
<tr>
<td>Student Support</td>
<td>3</td>
</tr>
<tr>
<td>Academic Support</td>
<td>3</td>
</tr>
<tr>
<td>How to Submit Assignments</td>
<td>3</td>
</tr>
<tr>
<td>Technical Support</td>
<td>3</td>
</tr>
<tr>
<td>Unit One - Foundations of Organizational Behaviour</td>
<td>4</td>
</tr>
<tr>
<td>Introduction</td>
<td>4</td>
</tr>
<tr>
<td>Objectives</td>
<td>4</td>
</tr>
<tr>
<td>Unit Readings</td>
<td>4</td>
</tr>
<tr>
<td>Assignments and Activities</td>
<td>5</td>
</tr>
<tr>
<td>Topic 1.1 – Organizational Behaviour</td>
<td>6</td>
</tr>
<tr>
<td>Topic 1.2 - Organizational Behaviour Models</td>
<td>11</td>
</tr>
<tr>
<td>UNIT ONE – SUMMARY</td>
<td>17</td>
</tr>
<tr>
<td>Unit Two – Individual Behaviour and the Organization</td>
<td>18</td>
</tr>
<tr>
<td>Unit Introduction</td>
<td>18</td>
</tr>
<tr>
<td>Unit Objectives</td>
<td>18</td>
</tr>
<tr>
<td>Unit Readings</td>
<td>18</td>
</tr>
<tr>
<td>Assignments and Activities</td>
<td>19</td>
</tr>
<tr>
<td>Topic 2.1 - Foundations of Individual Behaviour</td>
<td>20</td>
</tr>
<tr>
<td>Topic 2.2 – Individual Characteristics and Behaviour</td>
<td>28</td>
</tr>
<tr>
<td>Topic 2.3 – Attitudes and Behaviour</td>
<td>32</td>
</tr>
<tr>
<td>Topic 2.4 - Personality</td>
<td>37</td>
</tr>
</tbody>
</table>

Organizational Behaviour
Page | ii

Insert Course Title
COURSE OVERVIEW

INTRODUCTION

This is a preparatory course aimed at gaining valuable knowledge in the theoretical aspect of organizational behaviour and exposing students to the application of the organizational principles, practices, techniques and tools which assist in the discipline of management. It is designed to provide students with a thorough understanding of organizational behaviour. Learners will undertake an in-depth study of the impact, which individuals, groups and structure has on behaviour within organizations to ensure organizational efficiency and effectiveness.

COURSE GOALS

Upon completion of this course in Organizational Development you will be able to:

1. Describe the foundations of organizational behaviour.
2. Recognize the impact of individual behaviour on the operation of an organization.
3. Explore group behaviour and its impact on the organization.
4. Examine the tenets of organizational development.
5. Create an organizational structure appropriate to the organization’s strategic direction and strategies.
6. Design work appropriate for specific jobs.
7. Examine the impact of organizational culture.
8. Assess the impact of continuous change on an organization.

DESCRIPTION

This course is divided into various units:

Unit 1 – Foundations of Organizational Behaviour

- Topic 1 – Organizational Behaviour
- Topic 2 – Organizational Behaviour Models

Unit 2 – Individual Behaviour and the Organization

- Topic 1 - Foundations Of Individual Behaviour
- Topic 2 – Individual Characteristics and Behaviour
- Topic 3 – Attitudes and Behaviour
- Topic 4 – Personality
- Topic 5 – Perception
- Topic 6 – Decision Making
- Topic 7 – Motivation and the Organization

Unit 3 – Group Behaviour and the Organization

- Topic 1- Foundations of Group Behaviour
- Topic 2 - Goal Setting
- Topic 3 – Group Communications
- Topic 4 – Conflict and Negotiation

Unit 4 – Organizational Development

- Topic 1 – Organization Structure
- Topic 2 – Workplace and Job Design
- Topic 3 – Organizational Culture
- Topic 4 - Organizational Change

**REQUIRED READINGS**


**ASSIGNMENTS AND PROJECTS**

The course contains four assignments. The assignment instructions are described in each unit. Completion and grading instructions will be provided by your institution.

**ASSESSMENT METHODS**

Assessment methods and grading will be determined by the hosting institution.

**COURSE SCHEDULE**

The course reflects 12 to 14 weeks of work. Your institution and instructor should provide a detailed course schedule and list of major events and due dates for you to follow.
STUDENT SUPPORT

Note: This section should be included in self-paced or paper-based courses that provide tutor/facilitator support and/or web and email support for the students.

ACADEMIC SUPPORT

<Insert the following information if relevant>

- How to contract a tutor/facilitator (Phone number, email, office hours, etc.).
- Background information about the tutor/facilitator if he/she does not change regularly. Alternatively provide a separate letter with the package describing your tutor/facilitator’s background.
- Description of any resources that they may need to procure to complete the course (e.g. lab kits, etc.).
- How to access the library (either in person, by email or online).

HOW TO SUBMIT ASSIGNMENTS

<If the course requires that assignments be regularly graded, then insert a description of how and where to submit assignments. Also explain how the learners will receive feedback.>

TECHNICAL SUPPORT

<If the students must access content online or use email to submit assignments, then a technical support section is required. You need to include how to complete basic tasks and a phone number that they can call if they are having difficulty getting online>.
UNIT ONE - FOUNDATIONS OF ORGANIZATIONAL BEHAVIOUR

INTRODUCTION

This unit focuses on the concept of organizational behaviour by examining factors which directly influence organizations and those impacted by the organization. Such factors include individual attitudes and motivation, group dynamics, and organizational structures. It examines the various disciplines which contribute to the understanding of what truly drives organizational behaviour and the impact it has on an organization’s effectiveness and implications for managers.

OBJECTIVES

Upon completion of this unit students should be able to:

1. Define organizational behaviour.
2. Discuss fully the contribution of various disciplines to the development of organizational behaviour.
3. Examine organizational behaviour variables in relation to an organization.
4. Outline implications of variables of organizational behaviour on managers.
5. Examine different organizational models and their impact.

UNIT READINGS

As you complete this unit you are required to read the following chapters/articles:

  - Read the following lessons.
    - Lesson 2 – Organizational Behaviour.
ASSIGNMENTS AND ACTIVITIES

Upon completion of this unit, you will be required to produce an academic paper that explores the following questions.

Identify and analyze an organization that you are familiar with. Determine:

1. What the mission, purpose and goals are of the organization?
2. What products and services do they provide?
3. What raw materials do they need to provide the products and services?
4. How they have organized their workforce to produce the products or provide the services?
5. What technologies do they use to perform the work?
6. What can you do to make the organization more efficient and effective?

The paper should be no more than ten pages double spaced. You should provide references to support your description and analysis of the organization. The paper should be submitted to your instructor based on the course schedule.
TOPIC 1.1 – ORGANIZATIONAL BEHAVIOUR

INTRODUCTION
Organizational Behaviour: organizational behaviour is a field of study that investigates the impact that individuals, groups, and organizational structures have on behaviour within organizations. One outcome of organizational behaviour is organizational efficiency.

OBJECTIVES
Upon completion of this topic you will be able to:

1. Explain why a manager should study organizational behaviour.
2. Define organizational behaviour.
3. Describe the domains of knowledge that impact on organizational behaviour theory.

STUDY OF ORGANIZATIONAL BEHAVIOUR
The challenge of managing people and organization lead to the origin of study of Organizational Behavior. The study of Organizational Behavior is a combination of how people behave in organizations and how organizations use human resources to achieve goals.

The study of organizational behavior combines planning with the maximum utilization of human resources through the development of people. The field of organizational behavior is about understanding people and managing them to work effectively. The field of organizational behavior is concerned with how organizations can survive and adapt to change.

- Certain behaviors are necessary for survival and adaptation. People have to:
  - Be motivated to join and remain in the organization.
  - Carry out their basic work reliably.
  - Be flexible and innovative.

The accomplishment of the organizational goals depends on the interaction and coordination among people to accomplish their goals. The field of organizational behavior is concerned with how to get people to practice effective teamwork.

Organizational Behavior refers to the attitudes and behaviors of individuals and groups in organizations. Study of Organizational Behavior is important because it is about people and human nature. So what is Organizational Behaviour?
WHAT IS ORGANIZATIONAL BEHAVIOUR?
Organizational behaviour is the study and application of knowledge about people, individuals and groups act in an organization. It applies the knowledge acquired about individuals, groups, and the effect of structure on behaviour in order to make organizations function more effectively.

Organizational behaviourists research a wide variety of areas that they believe impact the organization. These areas include:

- motivation;
- leader behaviour and power;
- interpersonal communication;
- group structure and processes; learning;
- attitude development and perception;
- change processes; conflict;
- work design;
- systems approach;
- human performance; and
- work stress.

DISCIPLINES THAT CONTRIBUTE TO THE ORGANIZATIONAL BEHAVIOUR DOMAIN
Organizational behaviour like many other sciences is impacted by the research, models and concepts founded in other domains of behavioural science. Those areas that impact this field of study include: psychology, sociology, social psychology, anthropology, and political science. As noted in the diagram these areas are most important to one of the three major areas of study: individual; group; and organization.
Psychology

Psychology is the science that seeks to measure, clarify, and sometimes alter the behaviour of humans and organizations. Early industrial/organizational psychologists concerned themselves with problems of fatigue, boredom, and other factors pertinent to working conditions that could hinder efficient work performance. More recently, their contributions have been expanded to include learning, perception, personality, emotions, training, leadership effectiveness, needs and motivational forces, job satisfaction, decision-making processes, performance appraisals, attitude measurement, employee selection techniques, work design, and job stress.

Impact of Psychology on Organizational Behaviour

Social Psychology

Social psychology blends the concepts of psychology and sociology. It focuses on the influence that people have on one another. The major impact it has on organizational behaviour is how to reduce barriers during the change process.
Sociology

Sociologists study the social system in which individuals fill their roles; that is, sociology studies people in relation to their fellow human beings.

Their greatest contribution to organizational behaviour is through their study of groups in organizations, particularly formal and complex organizations.

Anthropology

Anthropology is the study of societies to learn about human beings and their activities.

Anthropologists work on cultures and environments; for instance, they have helped us understand differences in fundamental values, attitudes, and behaviour among people in different countries and within different organizations.
Impact of Anthropology on Organizational Behaviour

Political Science

The study of the behaviour of individuals and groups within a political environment.

Impact of Political Science on Organizational Behaviour

Activity – Influences on Organizational Behaviour

Using the Internet and other references available to you, investigate at least one domain of knowledge and how it impacted the process of organizational development. Record your analysis in your course journal.

SUMMARY

As this introduction has illustrated, organizational behaviour has evolved from a number of different disciplines and their related research. As you complete this course you will discover a number of different concepts and strategies for developing and managing your organization that have evolved from one of these other domains. Let’s explore different organizational behaviour models.
TOPIC 1.2 - ORGANIZATIONAL BEHAVIOUR MODELS

INTRODUCTION
There are three sub-domains when studying organizational behaviour: individual, group, and systems level concepts, theories, models and best practices. These three sub-domains of study are analogous to building blocks; each level is constructed upon the previous level. For example group concepts and theories are built upon a foundation of individual concepts and theories. This topic will begin to explore the relationship of these three sub-domains and their impact on organizational models.

OBJECTIVES
Upon completion of this topic you should be able to:

1. Describe the key concepts of organizational behaviour.
2. Examine the group and system characteristics that impact organizational behaviour.
3. Identify the major components of an organizational behaviour model.

ORGANIZATIONAL BEHAVIOUR CONCEPTS
Before we can begin to explore organizational models we must first understand the concepts underlying the theories upon which the models are created. Below are some of the key concepts explored in organizational behaviour research.

Productivity

Productivity is about measuring the outputs of an organization against its inputs. In the workplace productivity is about achieving goals by working efficiently to transform inputs to outputs at the lowest cost. An organization is effective when it successfully meets or exceeds the needs of its customers.

Example: The workforce can create more widgets in less time or at a lower price without sacrificing the quality of the widgets.

One measure of productivity is cost. Popular measures used to estimate cost efficiency include: ROI, profit per dollar of sales, and output per hour of labour. Another measure is the number of outputs of the organization. Increased outputs without a corresponding increase in inputs would be considered a measure of productivity.

Productivity is a major area of study in organizational behaviour: We want to know what factors influence the effectiveness and efficiency of individuals, groups, and the company when producing the organization’s outputs.

Absenteeism

Absenteeism is a habitual failure to report for work. Absenteeism is often considered an indicator of poor individual performance. It can also be an indicator of management or
organizational problems. Wide spread absenteeism has an impact on an organization’s bottom line. It is estimated that the annual cost of absenteeism per employee is: $789 in the United States, $694 in the United Kingdom. Neither includes costs associated with lost productivity, additional costs of overtime, replacements, etc.

All absences are not bad. For instance, in jobs in which an employee needs to be alert—consider surgeons and airline pilots, for example—it may well be better for the organization if an ill or fatigued employee does not report to work.

**Turnover**

Turnover is the voluntary and involuntary permanent withdrawal from an organization by individuals. A high turnover rate results in increased recruiting, selection, and training costs; costs estimated at about $34,100 for a programmer and $10,445 for a lost sales clerk.

All organizations have some turnover and the “right” people leaving—marginal and sub-marginal employees can be positive. But turnover often involves the loss of people the organization does not want to lose. Organizational behaviour explores ways of retaining key workers and providing a positive work environment that will help reduce turnover.

**Deviant Workplace Behaviour**

Deviance can range from someone playing his music too loud, to violence in the workplace. Deviant behaviour represents employee behaviour that violates significant organizational norms and has a negative impact on fellow workers. Ultimately deviant workplace behaviour results in dis-satisfied workers.

**Organizational Citizenship Behaviour**

Organizational citizenship behaviour (OCB) is discretionary behaviour that is not part of an employee’s formal job requirements, but that nevertheless promotes the effective functioning of the organization.

Desired citizenship behaviours include:

1. Helping others on their team.
2. Volunteering for extra job activities.
3. Avoiding unnecessary conflicts.
4. Respecting rules and regulations.
5. Tolerating occasional work-related impositions.
Job Satisfaction

Job satisfaction describes how content or discontent an individual is with his or her job. The happier you are, the more satisfied you will be with your work situation. Job satisfaction is not about personal motivation or attitude. It is impacted by a number of different factors including:

1. The culture of the organization.
3. Employee involvement in the workplace decisions.
4. Work ownership and empowerment.
5. Fair and equal pay.

All of the above impacts worker job satisfaction. Job satisfaction is often measured using different job satisfaction survey instruments. But it also can be observed by peers, supervisors and managers by observing the mood and emotions of workers. A positive and collaborative mood is a good indicator of positive job satisfaction. Griping, outbreaks, disagreements among peers, absenteeism are potential indicators of poor job satisfaction.

Managers have believed for years that satisfied employees are more productive; however, much evidence questions that assumed causal relationship.

It can be argued that advanced societies should be concerned with the quality of life. Work impacts everyone’s quality of life. This will vary depending on the age, marital status, health and other factors unique to each person. Some will want more time with their families, others may want time to exercise, some will want more recognition, etc.

Ethically, organizations have a responsibility to provide employees with jobs that are challenging and intrinsically rewarding.

Individual Characteristics Impacting the Organization

People enter organizations with certain characteristics and expectations that will influence their behaviour at work. The more obvious of these are individual characteristics such as age, gender, and marital status; personality characteristics; an inherent emotional framework; values and attitudes; and basic ability levels. Other individual-level characteristics include: perception, individual decision making, learning, and motivation. There is little management can do to alter them; yet they have a very real impact on employee behaviour.
GROUP CHARACTERISTICS IMPACTING THE ORGANIZATION
The behaviour of people in groups is more than the sum total of all the individuals acting in their own way. In most cases workers behave differently in groups than they do when working alone. People in groups are influenced by:

- Acceptable standards of behaviour by the group.
- Degree of attractiveness to each other.
- Communication patterns.
- Informal leadership and power.
- Levels of conflict.

SYSTEM CHARACTERISTICS IMPACTING THE ORGANIZATION
The top level of our model lies in understanding organizations system level characteristics. Organizational behaviour reaches its highest level of sophistication when we add formal structure.

The design of the formal organization; the organization’s internal culture; and the organization’s human resource policies and practices (that is, selection processes, training and development programs, performance evaluation methods) all have an impact on the dependent variables. The concepts of organizational change and its impact on individual and group stress must also be considered when examining systems level characteristics.

ORGANIZATIONAL BEHAVIOUR MODEL
The individual, group and systems characteristics described earlier can collectively be represented in a generic organizational behaviour model. The model below reflects the variables that impact organizational behaviour. When studying this topic one must consider all three levels. Each level represents a series of processes and best practices that can help create a positive work environment.
SUMMARY
As you can see by the generic model described above an organizational behaviour model encompasses a number of different concepts found in the other disciplines described earlier. As we move through the course we will explore how individual behaviour and group behaviour impacts organizations.
UNIT ONE – SUMMARY

ASSIGNMENTS AND ACTIVITIES

By now you should have completed the unit one required readings and self-reflection activities. It is now time to complete the first assignment described earlier. The assignment instructions are repeated below.

Assignment One – Academic Paper

Upon completion of this unit, you will be required to produce an academic paper that explores the following questions.

1. Identify and analyze an organization that you are familiar with. Determine:
2. What the mission, purpose and goals are of the organization?
3. What products and services do they provide?
4. What raw materials do they need to provide the products and services?
5. How they have organized their workforce to produce the products or provide the services?
6. What technologies do they use to perform the work?
7. What can you do to make the organization more efficient and effective?

The paper should be no more than ten pages double spaced. You should provide references to support your description and analysis of the organization. The paper should be submitted to your instructor based on the course schedule.

SUMMARY

Organizational behaviour is impacted by individuals, groups and the way the system is structured. A number of different domains of study must be considered when exploring organizational behaviour. Understanding the concepts and best practices of organizational psychology, social systems, communications and other areas of study are important for managers of an organization to understand and apply. We will continue to explore these concepts and more as we move through this course.
UNIT TWO — INDIVIDUAL BEHAVIOUR AND THE ORGANIZATION

UNIT INTRODUCTION

Organizational behaviour, as noted in Unit One deals with the individual, the group and the system. This unit will explore the impact that a worker, supervisor or manager can have on any organization. It involves examining the concepts of values, perception, learning, personalities and job satisfaction which contributes to the efficiency and effectiveness of an organization. Motivation is an important factor which will contribute to the development of any organization, by understanding and implementing the theories which are most applicable to the organization success. This can be achieved in form of good employee relationships and profits in the long run.

UNIT OBJECTIVES

Upon completion of the unit students should be able to:

1. Discuss the foundations of individual behaviour and learning.
2. Explain how individual values, attitudes, perception, personalities and job satisfaction impact the organization.
3. Describe the decision making process and its impact on the organization.
4. Examine the different types of employee and manager personalities.
5. Discuss how employee motivation impacts the organization.

UNIT READINGS

As you complete this unit you are required to read the following chapters/articles:

  - Read the following lessons:
    - Lesson 6 – Understanding the Values.
    - Lesson 7 – Attitudes at Work.
    - Lesson 8 – Personality
    - Lesson 10 – Perception
    - Lesson 11 – Perception, Attitude and Personality.
    - Lesson 12 – Perception and Decision Making.
    - Lesson 13 – Motivation – The Basic Concepts.
    - Lesson 14 – Motivational Theories.
ASSIGNMENTS AND ACTIVITIES

The Unit Two assignment will require you to examine an existing organization and report on the individual variables that impact the organization. Gather data by observation and interviews and report back on the following:

(a) A description of the organization including:
   (i) Products and services.
   (ii) Size of workforce.
   (iii) Management team.
   (iv) Structure of the workforce.

(b) Employee and Manager characteristics including:
   (i) Physical and Biological Characteristics.
   (ii) Attitude and its impact on observable behaviour.
   (iii) Personality.
   (iv) Decision Making and Leadership.
   (v) Motivation and its impact on observable behaviour.

The report should explain how these characteristics impact on the productivity at work and the success or failure of the business.

The report should be no more than 15 double spaced pages. References should be used to support your arguments and observations. You should NOT report on specific individuals or provide names in the final report. Once you have completed your report submit it to your instructor for review and feedback.
TOPIC 2.1 - FOUNDATIONS OF INDIVIDUAL BEHAVIOUR

INTRODUCTION
This aspect of organizational behaviour is extremely important since it involves the individuals who have a major impact on the organization. Students will learn about the concept of learning and the three theories of learning such Classical conditioning, Operant Learning and Social Theory which indicates why we do what we do.

OBJECTIVES
Upon completion of this unit students should be able to:

1. Explain key concepts of impacting individual behaviour.
2. Explain the theories of learning.
3. Discuss the impact of leaning on an organization.

BEHAVIORAL CONCEPTS
Before we can explore behavioural concepts we should first define behaviour and other concepts used when considering individual behaviour.

Behaviour is the pattern of how a person (or organization) responds to a stimulus. BF Skinner called this operant conditioning, in that the pattern of behaviour was defined by: Stimulus – Response – Stimulus.

Individual behaviour or how the person responds to a stimulus is influenced by a variety of factors. These include:

1. Physical Ability: The capacity to do tasks demanding stamina, dexterity, strength, and similar characteristics.
2. Intellectual Ability: The capacity to do mental activities
3. Multiple Intelligences: Intelligence contains four subparts, cognitive, social, emotional and cultural.
4. Personal/Biological Characteristics: Such as age, gender, race and tenure.
5. Learning: Any relatively permanent change in behaviour that occurs as a result of experience or stimulus.

As noted earlier behaviour is the foundation for three forms of observable learning outcomes: classical conditioning; operant conditioning and social learning theory. Organizational behaviour complements these individual approaches to behaviour by stressing the importance of commitment to learning throughout an organization. Organizational members, especially newcomers, must learn how to perform new tasks. Experienced employees must learn how to use new equipment and technology or how to follow new policies and procedures.
Learning is a fundamental process in organizations. Learning consists of a relatively permanent change in knowledge or behaviours that result from practice or experience. This concept has three key elements: (1) permanent, (2) change, and (3) through practice. A temporary change in behaviour or knowledge is not characteristic of learning. Learning takes place through practice, or the experience of watching others, although it is tempting to take shortcuts.

**Activity – The Impact on Learning**

Consider the following question and record your answers in your course journal.

What is the potential impact that learning or lack of learning would have in the workplace. Explain it from the position of:

1. The Organization as a whole;
2. A Manager/Supervisor; and
3. The Employees.

**THEORIES UNDERLYING BEHAVIOUR**

As noted earlier there are three theories or concepts underlying behaviour and behaviour change. These include: classical conditioning, operant conditioning and social learning.

**Classical Conditioning**

Classical conditioning involves the automatic or reflective responses based on external stimuli. The automatic or reflective responses would include salivation, increased or decreased heart rate, and reflective motor responses such as withdrawing the hand from something hot.

**Example: Pavlov and Classical Conditioning Experiments**

To make this a bit more concrete, we’ll use Pavlov’s dogs as an example. Before learning took place, the dogs would reliably salivate (UCR) when given meat powder (UCS), but they gave no response to the ringing of a bell (neutral). Then Pavlov would always ring a bell just before he would present the dogs with some meat powder. Pretty soon, the dogs began to associate the sound of the bell with the impending presence of meat powder. As a result, they would begin to salivate (CR) as soon as they heard the bell (CS), even if it was not immediately followed by the meat powder (UCS). In other words, they learned that the bell was a reliable predictor of meat powder. In this way, Pavlov was able to elicit an involuntary, automatic, reflexive response to a previously neutral stimulus.

Classical conditioning can help us understand how some forms of addiction, or drug dependence, work. For example, the repeated use of a drug could cause the body to compensate for it, in an effort to counterbalance the effects of the drug. This causes the
user to require more of the substance in order to get the equivalent effect (this is called 
tolerance). However, the development of tolerance also takes into account other 
environmental variables (the conditional variables) – this is called the situational specificity of tolerance.

Another example of classical conditioning is known as the appetizer effect. If there are 
otherwise neutral stimuli that consistently predict a meal, they could cause people to 
become hungry, because those stimuli induce involuntary changes in the body, as a 
preparation for digestion. There’s a reason it’s called the “dinner bell,” after all.

**Operant Conditioning**

Operant conditioning was coined by BF Skinner and is a type of voluntary behaviour 
modification that relies on reward and punishment. There are four consequences to any 
behaviour. They are:

- Something GOOD can start or be presented.
- Something GOOD can end or be taken away.
- Something BAD can start or be presented.
- Something BAD can end or be taken away.

All administered consequences have to be immediate or linked to the behaviour. Anything 
that increases a behavior - makes it occur more frequently, makes it stronger, or makes it 
more likely to occur - is termed a REINFORCER. Anything that decreases a behavior - makes it 
occur less frequently, makes it weaker, or makes it less likely to occur - is termed a 
PUNISHER. Therefore consequences can be either negative or positive. When you consider 
the four consequences of behaviour it results in this type of conditioning.

- **Something GOOD can start or be presented**
  \[\text{POSITIVE REINFORCEMENT} \Rightarrow \text{Increases Behaviour} \uparrow\]

- **Something GOOD can end or be taken away**
  \[\text{NEGATIVE PUNISHMENT} \Rightarrow \text{Decreases Behaviour} \downarrow\]

- **Something BAD can start or be presented**
  \[\text{POSITIVE PUNISHMENT} \Rightarrow \text{Decreases Behaviour} \downarrow\]

- **Something BAD can end or be taken away**
  \[\text{NEGATIVE REINFORCEMENT} \Rightarrow \text{Increases Behaviour} \uparrow\]

We can find examples of operant conditioning at all around us. Some examples of each type 
of conditioning in the workplace include:

- **Positive Reinforcement:** Employees who finish projects on time and within budget 
  receive praise, bonuses or promotions.
• **Negative Punishment:** Employees are spending too much time in the cafeteria and thus the employer decides to limit the hours the cafeteria is open.

• **Positive Punishment:** Establishing production quotas which if not met could result in layoffs or reduced working hours.

• **Negative Reinforcement:** The outsourcing of a hated task, like garbage removal and office cleaning, should result in more productive time.

**Social Learning**

Social learning or observational learning is a type of learning that occurs as a function of observing, retaining and replicating novel behavior executed by others. It is believed that reinforcement has the effect of influencing which responses one will partake in, more than it influences the actual acquisition of the new response.

1. Some examples of social learning strategies in the workplace include:
2. Working in groups where individuals can learn from each other.
3. Create mentoring programmes in which experts are paired with novices.
4. Create formal apprenticeship programmes in which journeymen guide their peers.
5. Form communities of practice.
6. Establish sharing and idea exchange processes.

**Biographical Characteristics Impacting Behaviour**

As noted earlier employee biological characteristics have impact on their performance. Identifying and analyzing the variables that impact an employee’s drop in productivity, absence, turnover and poor job satisfaction is often difficult to pinpoint. Other factors are more easily definable and readily available—data that can be obtained from an employee’s personnel file or in some cases in their resumes.

**Age**

The relationship between age and job performance is currently under debate and the conclusions vary based on those who must consider age as part of the employment requirement. First, there is a widespread belief that job performance declines with increasing age, but many employers’ perceptions have mixed feelings about this perception.

Employers see a number of positive qualities that older workers bring to their jobs, specifically experience, judgment, a strong work ethic, and commitment to quality. But in some industries older workers are also perceived as lacking flexibility and as being resistant to new technology. Some believe that the older you get, the less likely you are to quit your job. That conclusion is based on studies of the age-turnover relationship.
It is tempting to assume that age is also inversely related to absenteeism. Most studies do show an inverse relationship, but close examination finds that the age absence relationship is partially a function of whether the absence is avoidable or unavoidable. In general, older employees have lower rates of avoidable absence. However, they have higher rates of unavoidable absence, probably due to their poorer health associated with aging and longer recovery periods when injured.

There is a widespread belief that productivity declines with age and that individual skills decay over time. The belief that older workers have more job satisfaction is mixed. Most studies indicate a positive association between age and satisfaction, at least up to age 60.

**Gender**

There are few, if any, important differences between men and women that will affect their job performance, including the areas of: problem-solving, analytical skills, competitive drive motivation, sociability and learning ability. Women are more willing to conform to authority, and men are more aggressive and more likely than women to have expectations of success, but those differences are minor. That being said there is no evidence indicating that an employee’s gender affects job satisfaction.

There is often a difference between men and women in terms of preference for work schedules. Mothers of preschool children are more likely to prefer part-time work, flexible work schedules, and telecommuting in order to accommodate their family responsibilities.

**Absenteeism**

The research on absence consistently indicates that women have higher rates of absenteeism. The logical explanation: cultural expectation that has historically placed home and family responsibilities on the woman. But turnover rates do not appear to differ by gender; women’s turnover rates are similar to those of men.

**Marital Status**

There are not enough studies to draw any conclusions about the effect of marital status on job productivity. Research consistently indicates that married employees have fewer absences, undergo fewer turnovers, and are more satisfied with their jobs than are their unmarried coworkers. More research needs to be done on the other statuses besides single or married, such as divorce, domestic partnering, etc..

**Tenure**

The issue of the impact of job seniority on job performance has been subject to misconceptions and speculations.
METHODS OF SHAPING BEHAVIOUR

Once you recognize the behaviour you wish to reinforce or punish you need to tailor your rewards and punishment to the specific situation. Managers use reinforcement or rewards to increase the likelihood of higher sales, better attendance, or observing safety procedures. Reinforcement begins by selecting a behaviour to be encouraged. Correctly identifying the behaviour is important, or reinforcement will not lead to the desired response.

A manager must decide if attendance at meetings is the desired behaviour or attendance and participation are both required. The manager would need to reinforce both behaviours if both are desired.

Managers determine what consequences a worker considers positive. Potential reinforces include rewards such as pay, bonuses, promotions, job titles, interesting work, and verbal praise. Rewards are positive reinforcements if a worker acts in the desired manner to obtain them. Workers differ in what they consider to be a positive reinforce. For some, titles are rewards, for others it is vacation time. Once the desired behaviour is determined, reinforces must follow to increase reoccurrence. Organizations use reinforcement to promote the learning and performance of many behaviours. Some organizations use positive reinforcement for diversity efforts and to retain valuable employees.

Negative reinforcement increases the probability that a desired behaviour, then occur by removing a negative consequence (or negative reinforce) when a worker performs the behaviour. The negative consequence is faced until a worker performs the desired behaviour, then the consequence is removed. A manager’s nagging is a negative reinforcement, if the nagging stops when worker performs a task correctly. Negative reinforcers differ for various individuals. Nagging may not affect some subordinates. They will not perform the desired behaviour, even if the nagging stops. When using negative and positive reinforcement, the magnitude of the consequences must fit the desired behaviour. A small bonus may not be sufficient to cause a worker to perform a time-consuming or difficult task.

Extinction

According to operant conditioning, both good and bad behaviours are controlled by reinforced consequences. Identifying stimulus that reinforces desired behaviour and removing them can decrease undesired behaviour. An undesired behaviour without reinforcement can diminishes until it no longer occurs. This process is called extinction. Extinction can modify the behaviour of a worker who spends much time talking or telling jokes. The attention of coworkers reinforces this behaviour. If coworkers stop talking and laughing, the worker is likely to stop telling jokes. Although extinction is useful, it takes time to eliminate the undesired behaviour. When behaviours need to stop immediately, managers may resort to punishment.
Punishment

Punishment consists of administering a negative consequence when the undesired behaviour occurs. Punishment is not the same as negative reinforcement. It decreases behaviour, whereas negative Reinforcement increases the frequency of a behaviour. Punishment administers a negative consequence, whereas negative reinforcement removes a negative consequence.

Activity – Reinforcement

Investigate the following Reinforcement Schedules and identify how they can be used to support or diminish workplace behaviour. Enter your findings into your course journal.

- Continuous Reinforcement
- Intermittent Reinforcement
- Fixed-Interval Schedule
- Variable-Interval Schedule

To analyze an individual’s workplace behaviour you must consider the variables as shown in figure 2.1 below.

Figure - Variables that Influence Behaviour
The figure suggests that people enter organizations with these variables in various states of development. Many behaviour patterns of people have been developed before they join an organization. Whether managers can modify, mold or reconstruct these behaviours is a debatable issue. It is usually agreed that changing any of the psychological variables require time and thorough program of diagnosis, implementation, evaluation and modification. There is no universally agreed upon method that can change personalities, attitudes, and perception and learning patterns. This must be understood by all managers in all types of organizations. People are always changing, although slightly, several of their behaviour patterns. It is the direction and kind of behaviour change managers want to influence.

**SUMMARY**

Every individual is unique. They bring with them their life experiences, their cultural influences and their own belief systems. Given the right mix of individuals the workforce can be creative, innovative and driven. With the wrong mix of individuals an organization can become sluggish, unproductive and will eventually fail. It is up to the managers to recognize individuals who have issues and help them address their personal weaknesses before it impacts the business. The next few topics will explore unique characteristics of individuals that the management team needs to consider.
TOPIC 2.2 – INDIVIDUAL CHARACTERISTICS AND BEHAVIOUR

TOPIC INTRODUCTION
This topic explores the impact of an individual behaviour on the organization. Having a comprehensive understanding of an individual’s characteristics will help leaders of an organization better respond to individuals and how to better manage his/her company effectively.

Every organization comprises of individuals with different personalities, attitudes and perceptions. Having knowledge of how to deal with the varying personalities can lead to job satisfaction for employees and success in any organization.

LESSON OBJECTIVES
Upon completion of this topic you will be able to:

1. Explain the role of individual values, on job performance.
2. Describe the impact of instrumental and terminal values on an organization.
3. Explore how changing moods impact individual behaviour.

OVERVIEW
Before we start let’s determine if you can describe the terms being explored.

Activity – Personal Values
Consider the following questions. Insert your answers in your course journal.

- What is a value?
- What do you value?
- How does your mood impact your ability to complete your work?

Now let us examine the concepts above in detail to see if they match your own thinking.

VALUES
Values are founded in a personal or cultural value system. A value system is a set of rules or beliefs that govern personal action, ethics and attitudes. Values influence an individual’s attitude towards a specific action or activity. Values are influenced by:

1. Parents.
2. Friends.
3. Teachers
4. Role models.
5. External organizations, like churches, cultural institutions, etc.
Values influence a personal or professional philosophy of life. Every individual has a core set of values. Values can range from the commonplace, such as the belief in hard work and punctuality, to the more psychological, such as self-reliance, concern for others, and harmony of purpose.

Rokeach, in his book titled *The Nature of Human Values*, says there are two kinds of values that people have: "instrumental values" and "terminal values". Instrumental values consist, primarily, of personal characteristic and character traits. Terminal values are those things that we can work toward or we think are most important and that we feel are most desirable. The following two tables illustrate examples of instrumental and terminal values.

**Table – Examples of Instrumental and Terminal Values**

<table>
<thead>
<tr>
<th>Instrumental Values</th>
<th>Terminal Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ambitious (Hard-working, aspiring)</td>
<td>Family Security (taking care of loved ones)</td>
</tr>
<tr>
<td>Broadminded (Open-minded)</td>
<td>Freedom (independence, free choice)</td>
</tr>
<tr>
<td>Capable (Competent, effective)</td>
<td>Equality (brotherhood, equal opportunity for all)</td>
</tr>
<tr>
<td>Cheerful (Lighthearted, joyful)</td>
<td>Self‐respect (self esteem)</td>
</tr>
<tr>
<td>Clean (Neat, tidy)</td>
<td>Happiness (contentedness)</td>
</tr>
<tr>
<td>Courageous (Standing up for your beliefs)</td>
<td>Wisdom (a mature understanding of life)</td>
</tr>
<tr>
<td>Forgiving (Willing to pardon others)</td>
<td>National security (protection from attack)</td>
</tr>
<tr>
<td>Helpful (Working for the welfare of others)</td>
<td>Salvation (saved, eternal life)</td>
</tr>
<tr>
<td>Honest (Sincere, truthful)</td>
<td>True friendship (close companionship)</td>
</tr>
<tr>
<td>Imaginative (Daring, creative)</td>
<td>A sense of accomplishment (a lasting contribution)</td>
</tr>
<tr>
<td>Independent (Self-reliant, self-sufficient)</td>
<td>Inner Harmony (freedom from inner conflict)</td>
</tr>
<tr>
<td>Intellectual (Intelligent, reflective)</td>
<td>A comfortable life (a prosperous life)</td>
</tr>
<tr>
<td>Instrumental Values</td>
<td>Terminal Values</td>
</tr>
<tr>
<td>---------------------------------</td>
<td>------------------------------------------</td>
</tr>
<tr>
<td>Logical (Consistent, rational)</td>
<td>Mature love (sexual and spiritual intimacy)</td>
</tr>
<tr>
<td>Loving (Affectionate, tender)</td>
<td>A world of beauty (beauty of nature and the arts)</td>
</tr>
<tr>
<td>Obedient (Dutiful, respectful)</td>
<td>Pleasure (an enjoyable leisurely life)</td>
</tr>
<tr>
<td></td>
<td>Social recognition (respect, admiration)</td>
</tr>
<tr>
<td></td>
<td>An exciting life (a stimulating active life)</td>
</tr>
<tr>
<td></td>
<td>Self - controlled (Restrainted, self discipline)</td>
</tr>
</tbody>
</table>

Activity – Values and Work

Consider the above list of values.

1. How would you recognize these values in your co-workers?
2. What values have a positive impact on the worker and the workforce?
3. What values have a potential negative impact on the worker and the workforce?

Record the answer in your course journal.

The thoughts and feelings people have about work range from being broad and long-lasting attitudes about the nature of work in general, called work values, to more specific thoughts and feelings about a current job or organization, called work attitudes, to more moment-to-moment experiences, called work moods.

Work values and personal conviction influence commitment, results, work and behaviour at work. Outcomes might include a comfortable existence with family security, a sense of accomplishment and self-respect, or social recognition, and an exciting lifestyle. Appropriate work behaviours include being ambitious, imaginative, obedient, self-controlled, and respectful. Work values guide ethical behaviour at work—honesty, trustworthiness, and helpfulness. Other work values could include:

- Achievement (career advancement).
- Concern for others (compassionate behaviour).
- Honesty (provision of accurate information).
- Fairness (impartiality).
Changing Moods at Work

How many times does your mood change during your time at work? Let us examine why our mood changes.

Work moods or motivation; i.e. how people feel when they perform their jobs; are more transitory than values and attitudes. Moods change from day to day even hour to hour. Moods can be either positive or negative. Positive moods include feeling excited, enthusiastic, active, strong, peppy, or elated. Negative moods include feeling distressed, fearful, scornful, hostile, jittery, or nervous. Moods can also be less intense. A worker might simply feel drowsy, sluggish, calm, placid or relaxed.

Experiencing different moods depends on a worker’s personality, the environment and the specific situation. Workers high on the trait positive affectivity experience positive moods at work, whereas those high on the trait of negative affectivity experience negative moods.

SUMMARY

Values lay the foundation for the understanding of attitudes and motivation. Individuals enter organizations with notions of what is right and wrong. The values they bring to work often influence individual behaviours and thus can impact organizational outcomes. In the next topic we will explore how values influence attitudes and behaviour.
**TOPIC 2.3 – ATTITUDES AND BEHAVIOUR**

**INTRODUCTION**
An attitude is a mental state of readiness, learned and controlled through experience, exerting a specific influence on a person’s response to people, objects, and situations with which it is related. Attitudes manifest themselves as persistent tendencies to feel and behave in a particular way toward some object, person, group or event. It is important for a business person or manager to understand how attitudes are formed and how they impact workplace behaviour.

**OBJECTIVES**
Upon completion of this lesson you will be able to:

1. Examine your own attitude development.
2. Explain the impact of individual attitudes on others in the workforce.
3. Explore the impact of attitudes on individual job satisfaction.

**ATTITUDE DEVELOPMENT**
Attitudes are reflected in three different ways.

1. Cognition – The way people think and perceive the things, people and events around them.
2. Affect – The internal impact that these perceptions have on the individual.
3. Behaviour – The external characteristics that the person exhibits and others can observe read or hear.

As the Figure 2.3A illustrates attitudes are impacted by the environment, their own experiences, the tools that you provide them and the type of management approach. The output is the desirable or undesirable behaviours exhibited by the employee.
Activity – Personal Attitude Assessment

Examine your own attitudes towards work and your peers and superiors.

Consider what factors impact your attitude.
Would you consider that you have a positive or negative attitude towards work? Why?

Record your answers in your course journal.

Attitudes and their impact on behaviour are most noticeable in the workplace by observing an individual’s:

1. Job Satisfaction – A collection of positive or negative feelings that employees have towards their job.
2. Job Involvement – Is observed when an employee is able to identify with the job, actively participate in it and considers performance as a reflection of self-work.
3. Organizational Involvement – When an employee identifies with the organization, its goals and objectives and wants to maintain membership with it.
4. Perceived Organizational Support – The extent to which an employee believes the organization cares about his or her well-being.

Let’s examine each one.
**JOB SATISFACTION**

Job satisfaction is the collection of feelings and beliefs employees have about their current jobs. In addition to attitudes about a job as a whole, people can have attitudes about various aspects of their jobs, such as the kind of work, coworkers, or pay. Their satisfaction can range from extremely satisfied to extremely dissatisfied.

Job satisfaction is an important work attitude in organizational behaviour because it affects a wide range of behaviours and contributes to workers’ well-being. It is one of the most well researched work attitudes. There are several measures of job satisfaction, useful to researchers studying job satisfaction and to managers who wish to assess satisfaction levels.

There are a number of formal survey instruments that measure the collective job satisfaction of your workforce. But often the best way to judge individual job satisfaction is to observe and interact regularly with your employees. Signs of dissatisfied employees include:

- They do the minimum work to get by.
- High absentee rate.
- Come to work late and leave early.
- Avoiding group work activities or social events.
- Making negative comments to or about their peers.
- They don’t volunteer information or ideas, even when solicited.

We must realize that some workers will be more satisfied than others with the same job because of different personalities, expectations and work values. Job satisfaction can be increased because it is determined not only by personalities but also by the situation.

Factors that have a positive impact on workforce job satisfaction include:

- Mentally Challenging Work.
- Equitable Rewards.
- Supportive Working Conditions.
- Supportive Colleagues.
- Personality - Job Fit.
Activity – Impact of Job Satisfaction

Reflect upon your own business or future business and consider the impact of poor job satisfaction and ineffective employee performance on your organization. What strategies would you use to address the following:

1. Workforce Productivity.
2. Workforce Absenteeism.
3. Workforce Turnover.

Record your responses in your course journal.

Job satisfaction is often an emotional response to a job situation. Job Satisfaction determined by how well personal outcomes meet or exceed expectations. Job satisfaction is impacted by several environmental variables, including.

- The work itself.
- Pay and benefits.
- Promotion opportunities.
- Type of Supervision.
- Support of Coworkers.

The Effect of Job Satisfaction on Employee Performance

Interest in job satisfaction tends to center on its effect on employee performance. The potential impact includes:

- Satisfied workers are very productive and productive workers are generally very satisfied.
- Workers productivity are generally higher in organizations with more satisfied employees
- Satisfied employees are generally less absent from work
- Satisfied employees are less likely to leave the job
- Organizations take actions to retain high performing employees and weed out the lower performing ones

Job Satisfaction and Customer Satisfaction

When operating a business that deals directly with customers and potential customers employee job satisfaction directly impact customer satisfaction. Specifically:

- Evidence indicates that satisfied employees increase customer satisfaction and loyalty.
- Customer retention and defection are highly dependent on how front-line employees deal with
• customers. Satisfied employees are more likely to be friendly, upbeat, and responsive.
• Dissatisfied customers can also increase an employee’s dissatisfaction. The more employees work with rude and thoughtless customers, the more likely they are to be dissatisfied.

**Activity – Customer Service**

Select a business that you visit or use as a customer (e.g. a coffee shop, restaurant, hotel, etc). Observe the employees to see if you can identify those who appear satisfied with their work and those that just view it as a pay check. Think about why some employees appear to be satisfied and ask yourself:

1. How do they interact with the customers?
2. What characteristics do satisfied employees demonstrate?
3. What characteristics do unsatisfied employee’s exhibit?
4. How could management turn the dissatisfied employees into satisfied employees?

Record your observations in your course journal.

**SUMMARY**

Your attitude and the attitudes of your fellow workers can have a direct impact on job satisfaction. Negative attitudes often result in poor job satisfaction. Poor job satisfaction often manifests itself as lower productivity, poor customer service, lack of teamwork, etc. What companies should strive for is positive job satisfaction. Managers and others must monitor the attitudes and behaviors of their subordinates and peers. Strategies must be implemented to increase or support positive job satisfaction.

Now let’s examine the impact of personality on job performance.
TOPIC 2.4 - PERSONALITY

INTRODUCTION
Personality can be defined as a stable pattern of behaviours and consistent internal states that explain a person's actions and beliefs. When exploring personality one would examine the stable set of psychological attributes that distinguish one person from another. Personality could be considered the sum total of ways in which an individual reacts and interacts with others. In simple terms it means how people affect others and how they understand and view themselves. Personality is a product of nature and nurture.

OBJECTIVES
Upon completion of this topic you will be able to:

1. Explain the factors impacting an individual’s personality.
2. Identify common personality traits.
3. Analyze and categorize individuals based on their personality traits.
4. Explore the Myers Briggs assessment instrument.

INFLUENCES ON INDIVIDUAL PERSONALITY
As illustrated in Figure 2.4A personality is influenced by a number of external variables.

The four major forces illustrated above influences an individual’s personality, which makes him or her unique in nature. Due to personality differences, people bring different perceptions, expectations and values into the workplace, and if their jobs are not aligned with these perceptions, expectations and values, they will experience less job satisfaction.
Activity – Personal Assessment

Think about your own personality and identify those experiences that have influenced your attitudes, expectations and values. Consider all four major forces described in the diagram and record your observations in your course journal.

**PERSONALITY TRAITS**

Personality is typically described in terms of traits. A trait is a specific component of a personality that describes the particular tendencies a person has to feel, think, and act in a certain way. Thus, an individual’s personality is a collection of traits, thought to be organized hierarchically. The Big Five model of personality places five general personality dimensions at the top of this hierarchy—extroversion, neuroticism, agreeableness, conscientiousness, and openness to experience.

<table>
<thead>
<tr>
<th>Table - Common Personality Traits</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TRAITS</strong></td>
</tr>
<tr>
<td>EXTRAVERSION</td>
</tr>
<tr>
<td>AGREEABLENESS</td>
</tr>
<tr>
<td>CONSCIENTIOUSNESS</td>
</tr>
<tr>
<td>OPENNESS</td>
</tr>
<tr>
<td>EMOTIONAL STABILITY</td>
</tr>
</tbody>
</table>

Let’s explore each one.

**Extroversion** - refers to the tendency to be sociable, friendly, and expressive. Extraversion, or positive affectivity, is one of the Big Five personality traits, and describes the predisposition of individuals to experience positive emotional states and feel good about themselves and the world. Extroverts are more sociable, affectionate, and friendly than introverts and experience higher levels of job satisfaction.

**Emotional Stability** - refers to the tendency to experience positive emotional states. Another Big Five trait, neuroticism, or negative affectivity, refers to people’s dispositions to experience negative emotional states, feel distressed, and view the world around them negatively. They may play devil’s advocate in an organization, pointing out problems with a proposed course of action. Individuals high on neuroticism often experience negative moods, feel stressed, and have a negative orientation at work. They are more critical of their own performance, a tendency that drives them to make improvements and excel in
critical thinking and evaluation. In group decision making, these individuals exert a sobering influence by pointing out the negative aspects of a decision.

**Agreeableness** – is demonstrated by being courteous, forgiving, tolerant, trusting, and self-hearted. Agreeableness is a Big Five trait capturing the distinction between individuals who get along well with others and those who do not. Individuals high in agreeableness are caring, affectionate, and likable, whereas individuals low in this dimension are antagonistic, mistrustful, unsympathetic, and uncooperative. Agreeableness is likely to contribute to being a team player and is helpful in fostering good working relationships.

**Conscientiousness** - is exhibited by those who are described as dependable, organized, and responsible. The Big Five trait of conscientiousness refers to the extent to which an individual is careful, scrupulous, and persevering. Individuals high on this dimension are organized and self-disciplined, whereas individuals low in conscientiousness may lack direction and self-discipline. Conscientiousness has been found to be a good predictor of performance in many jobs in a wide variety of organizations.

**Openness to Experience** - reflects the extent to which an individual has broad interests and is willing to be a risk-taker. Openness to experience is a trait that refers to the extent to which an individual is original, is open to a wide variety of stimuli, has broad interests, and is willing to take risks, rather than being narrow-minded or cautious. For openness to experience to be translated into creative and innovative behaviour in organizations, the organization must remove obstacles to innovation.

Personality traits can also be described on a continuum representing introverts vs. extroverts and unstable and stable personalities. For example, if you are an unstable introvert you can be irritable, somber, quiet or any combination of the three.
THE MYERS-BRIGGS TYPE INDICATOR

There are a number of survey instruments that allow you to judge what type of personality an individual exhibits. One of the more popular ones is Myers-Briggs. It describes people’s preferences for interacting with others, gathering information, making decisions and organizing their lives. Widely used for individual, group and organizational development, the Myers-Briggs Type Indicator can help people make business, career and personal decisions. This self-administered instrument classifies individuals based on the following personality types.

- Extrovert vs. Introvert (E or I)
- Sensing vs. Intuitive (S or N)
- Thinking vs. Feeling (T or F)
- Judging vs. Perceiving (P or J)

The table below defines the eight personality indicators and how to identify what type of characteristic they are exhibiting.

<table>
<thead>
<tr>
<th>Source of Energy</th>
<th>Extraversion 'E'</th>
<th>Introversion 'I'</th>
</tr>
</thead>
<tbody>
<tr>
<td>The need to talk things through.</td>
<td>The need to think things through.</td>
<td></td>
</tr>
<tr>
<td>Keywords: outgoing • talkative • sociable</td>
<td>Keywords: shy • reserved • reflective</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Receiving Information</th>
<th>Intuition 'N'</th>
<th>Sensing 'S'</th>
</tr>
</thead>
<tbody>
<tr>
<td>Can see the big picture &amp; future possibilities.</td>
<td>Trusts the establishment and the tried and true.</td>
<td></td>
</tr>
<tr>
<td>Keywords: brainstormer • big picture • theory</td>
<td>Keywords: facts • details • data collection</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Making Decisions</th>
<th>Feeling 'F'</th>
<th>Thinking 'T'</th>
</tr>
</thead>
<tbody>
<tr>
<td>Considers others before making decisions.</td>
<td>Uses the logical choice</td>
<td></td>
</tr>
<tr>
<td>Keywords: compassionate • personal • warm</td>
<td>Keywords: rational • black and white • tough-minded</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Personal Life</th>
<th>Perceiving 'P'</th>
<th>Judging 'J'</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enjoy surprises and changing plans.</td>
<td>Loves routine and to-do lists.</td>
<td></td>
</tr>
<tr>
<td>Keywords: go with the flow • unscheduled • flexible</td>
<td>Keywords: scheduled • structured • organized</td>
<td></td>
</tr>
</tbody>
</table>
Every person has a source of energy, receives information, makes decisions and has a personal life. When you combine the indicators you end up with 16 different personality types. The combinations are reflected below. To learn more about each personality type go to: http://www.knowyourtype.com/16_types.html

<table>
<thead>
<tr>
<th>ISTJ</th>
<th>ISFJ</th>
<th>INFJ</th>
<th>INTJ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planner Inspector</td>
<td>Protector Supporter</td>
<td>Foreseeer Developer</td>
<td>Conceptualizer Director</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ISTP</th>
<th>ISFP</th>
<th>INFP</th>
<th>INTP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Analyzer Operator</td>
<td>Composer Producer</td>
<td>Harmonizer Clarifier</td>
<td>Designer Theorizer</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ESTP</th>
<th>ESFP</th>
<th>ENFP</th>
<th>ENTP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promoter Executor</td>
<td>Motivator Presenter</td>
<td>Discoverer Advocate</td>
<td>Explorer Inventor</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ESTJ</th>
<th>ESFJ</th>
<th>ENFJ</th>
<th>ENTJ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implementor Supervisor</td>
<td>Facilitator Caretaker</td>
<td>Envisioner Mentor</td>
<td>Strategist Mobilizer</td>
</tr>
</tbody>
</table>

Other Organizationally Relevant Personality Traits

Other traits are important for understanding behaviour in organizations. These include:

**Locus of Control:** Individuals who think that their own actions and behaviours have an impact in determining what happens to them have an internal locus of control. Individuals who believe that outside forces are largely responsible for their fate have an external locus of control. Internals are more easily motivated and need less direct supervision than externals.

**Self-Monitoring:** Self-monitoring refers to the extent to which people try to control the way they present themselves to others. Individuals high on self-monitoring behave in a socially acceptable manner.

**Type A and Type B Personalities**

There are a number of other ways of categorizing personality types. Often we here individuals refer to themselves or others as either Type A or Type B personalities.

Type A individuals have an intense desire to achieve, are extremely competitive, have a sense of urgency, are impatient, and can be hostile. A Type A personality is “aggressively involved in a chronic, incessant struggle to achieve more and more in less and less time, and, if required to do so, against the opposing efforts of other things or other persons.” They are always moving, walking, and eating rapidly, are impatient with the rate at which most events take place, are doing do two or more things at once and cannot cope with
leisure time. They are obsessed with numbers, measuring their success in terms of how many or how much of everything they acquire. Type A individuals operate under moderate to high levels of stress. They subject themselves to continuous time pressure, are fast workers, quantity over quality, work long hours, and are also rarely creative. Their behaviour is easier to predict than that of Type B personalities.

Type B individuals are more relaxed and easygoing. Type A individuals may get a lot accomplished in organizations, but they also are more easily frustrated, more involved in more conflicts, and more likely to develop coronary heart disease than Type B individuals. Type B personalities never suffers from a sense of time urgency with its accompanying impatience and feels no need to display or discuss either their achievements or accomplishments unless such exposure is demanded by the situation. Play for fun and relaxation, rather than to exhibit their superiority at any cost and can relax without guilt.

Are Type As or Type Bs more successful? Type Bs are the ones who appear to make it to the top. Great salespersons are usually Type As; senior executives are usually Type Bs.

**PERSONALITY TRAITS IN THE WORKPLACE**

Managers and business operators must learn to recognize the different personalities of their employees, peers, suppliers and business stakeholders. Some typical examples of how to employ our assessment of these individuals by:

1. As managers we must realize that some workers are more likely to be positive and enthusiastic and some more likely to complain because of personality differences.
2. Provide more direction for workers with less initiative to solve problems and who tend to blame others or the situation for problems.
3. Provide more encouragement and support to workers with low self-esteem who belittle themselves and question their abilities.
4. Realize that Type A personalities can be difficult to get along with and have difficulty in teams.
5. Communicate to subordinates who are overly concerned being liked that sometimes honest feedback and be constructive criticism are necessary.

**SUMMARY**

Personality is a factor that is not easy to assess. It is often good for employees and employers to examine their own personality traits using instruments like Myers Briggs or others. Once an individual knows what type of personality he or she has, it makes it easier to react appropriately to others with different types of personalities. Knowing your personality type and those of your peers will help you better collaborate with others and it will reduce the reactions of first impression often common in the workforce. Next we will examine what perception is (which often results in first impressions) and how it impacts the workforce.
TOPIC 2.5 – PERCEPTION

INTRODUCTION
Perception is a process by which individuals organize and interpret their sensory impressions in order to give meaning to their environment. Perception is influenced by many of the same variables that influence personality: family, culture, heritage, and social class. This topic will explore the role of perception in the workplace.

OBJECTIVES
Upon completion of this topic you will be able to:

1. Describe the nature of perception.
2. Explain attribution theory and its impact on the workforce.
3. Describe social perception and its impact on individuals.

NATURE OF PERCEPTION
Perception is the process by which individuals select, organize, and interpret the input from their senses to give meaning and order to the world around them. The process of perception involves the perceiver—the person making the interpretation, the target of perception—what the perceiver interprets, and the situation in which perception takes place. The target can be an event, a situation, an idea, a noise, a group of people, or another person. Person perception, or the process of perceiving another person, plays a large role in organizational behaviour.

Factors Influencing Perception

Perception is about the perceiver, the person that is doing the judging. The thing being viewed, touched and/or listened to by the perceiver is known as the target. Finally the situation that both the perceiver and target are experiencing also impacts the perception of the receiver.

When an individual looks at a target and attempts to interpret what he or she sees, that interpretation is heavily influenced by personal characteristics of the individual perceiver. The more relevant personal characteristics affecting perception of the perceiver are attitudes, motives, interests, past experiences, and expectations.
Characteristics of the target can also affect what is being perceived. This would include attractiveness, gregariousness, and our tendency to group similar things together. For example, members of a group with clearly distinguishable features or color are often perceived as alike. For example if the target person is overweight the perceiver may incorrectly assume that the person is lazy and lacks personal pride.

The situation surrounding the perceiver and the target also influences perception. If you are in a very dirty disorganized office that is occupied by the target, the perceiver may believe that this person is also disorganized and unkempt.

So why is it important? Because people’s behaviour is based on their perception of what reality is, not on reality itself? The world that is perceived is the world that is behaviourally important.

**Attribution Theory**

When individuals observe behaviour, they attempt to determine whether it is internally or externally caused. People try to make sense of a situation by explaining its cause; this explanation is known as an attribution.

Attribution theory describes how people explain the causes of their own and other people’s behaviour. To the extent that attributions are accurate, better organizational decisions can be made. Supervisors make attributions for high or low performance. If a supervisor attributes high performance to exceptional ability, challenging work is assigned, but if it is attributed to luck, no change in assignment will be made. Incorrect attributions result in over challenging or under challenging assignments. Smooth day-to-day interactions often hinge on accurate attributions.

**Internal and External Attributions**

Causal explanations for behaviours can be either internal attributions, behaviour caused by some characteristic of the target, or external attributions, behaviour assigned to factors outside the individual. Common internal attributions include ability, effort, and personality. Poor performance may be attributed to lack of effort or ability, and poor relations with coworkers may be attributed to personality. Common external attributions include luck, chance, and easy tasks. A worker’s accomplishment may be viewed as a stroke of luck.

Whether attributions are internal or external determines how people respond to behaviour. High performance, attributed to ability, results in a promotion, but attributed to luck, results in no promotion. The attributions people make for their own behaviour influence subsequent actions. A successful worker who attributes an outcome to luck remains unaffected, whereas attributing success to ability increases confidence.

Our perceptions of people differ from our perceptions of inanimate objects. We make inferences about the actions of people that we do not make about inanimate objects.
Nonliving objects are subject to the laws of nature. People have beliefs, motives, or intentions.

Attribution theory suggests that when we observe an individual’s behaviour, we attempt to determine whether it was internally or externally caused. That determination depends largely on three factors:

- **Distinctiveness**: shows different behaviours in different situations.
- **Consensus**: Response is the same as others to same situation.
- **Consistency**: Responds in the same way over time.

**SOCIAL PERCEPTION**

Social perception is about the process, through which individuals attempt to combine, integrate and interpret information about others. Social status, a target’s real or perceived position in society or an organization, also affects perception. High-status targets are perceived as more credible, knowledgeable, and responsible than low-status targets. Organizations use a high-status target to make public announcements and presentations because the audience.

To ensure that women and minorities enjoy equal footing including social status, many organizations have adopted affirmative action programs. Yet, these programs may perpetuate the low status of women and minorities because others perceive and treat affirmative action hires as second-class citizens. This can result in not fully utilizing these workers’ capabilities.

**Barriers to Social Perception**

**Selective Perception** - Any characteristic that makes a person, object, or event stand out will increase the probability that it will be perceived. It is impossible for us to assimilate everything we see—only certain stimuli can be taken in.

**Halo Effect** - The halo effect occurs when we draw a general impression on the basis of a single characteristic:

- This phenomenon frequently occurs when students appraise their classroom instructor.
- Students may give prominence to a single trait such as enthusiasm and allow their entire evaluation to be tainted by how they judge the instructor on that one trait.

The reality of the halo effect was confirmed in a classic study.

- Subjects were given a list of traits such as intelligent, skillful, practical, industrious, determined, and warm, and were asked to evaluate the person to whom those traits applied. When the word “warm” was substituted with “cold” the subjects changed their evaluation of the person.
• The experiment showed that subjects were allowing a single trait to influence their overall impression of the person being judged.
• Research suggests that it is likely to be most extreme when the traits to be perceived are ambiguous in behavioural terms, when the traits have moral overtones, and when the perceiver is judging traits with which he or she has had limited experience.

**Stereotyping**—judging someone on the basis of our perception of the group to which he or she belongs. Generalizations are not without advantages. It is a means of simplifying a complex world, and it permits us to maintain consistency. The problem, of course, is when we inaccurately stereotype. In organizations, we frequently hear comments that represent stereotypes based on gender, age, race, ethnicity, and even weight. From a perceptual standpoint, if people expect to see these stereotypes, that is what they will perceive, whether or not they are accurate.

**SUMMARY**
We must not let our perception of the external world impact our attitude about an individual, group or physical space. We need to closely examine why we have perceived the environment in a specific way. We must find ways to look beyond what we perceive to validate whether our initial assessment is correct or clouded by other variables.
TOPIC 2.6 – DECISION MAKING

INTRODUCTION
Empowered individuals in organizations make decisions; they make choices from among two or more alternatives. Top managers determine their organization’s goals, what products or services to offer, how best to finance operations, or where to locate a new manufacturing plant. Middle- and lower-level managers determine production schedules, select new employees, and decide how pay raises are to be allocated.

Non-managerial employees also make decisions including whether or not to come to work on any given day, how much effort to put forward once at work, and whether or not to comply with a request made by the boss. A number of organizations in recent years have been empowering their non-managerial employees with job-related decision-making authority that historically was reserved for managers.

This topic will explore the decision making process and its impact on the organization.

OBJECTIVES
Upon completion of this unit students should be able to:

1. Define what is decision making?
2. Employ the rational decision making model.
3. Explain the various decision making styles.

WHAT IS DECISION MAKING?
Decision making is the process of selecting a logical choice from among the available options. When trying to make a good decision, a person must weigh the positives and negatives of each option, and consider all the alternatives. For effective decision making, a person must be able to forecast the outcome of each option as well, and based on all these items, determine which option is the best for that particular situation.

There are a number of different decision making models or procedures. We will explore the six steps of Rational Decision Making Model.

1. Define the problem.
2. Identify the decision criteria.
3. Allocate weights to the criteria.
4. Develop the alternatives.
5. Evaluate the alternatives.
6. Select the best alternative.

The Rational Model

**Step 1:** Defining the problem.
- A problem is a discrepancy between an existing and a desired state of affairs.
- Many poor decisions can be traced to the decision maker overlooking a problem or defining the wrong problem.

**Step 2:** Identify the decision criteria important to solving the problem.
- The decision maker determines what is relevant in making the decision. Any factors not identified in this step are considered irrelevant to the decision maker.
- This brings in the decision maker’s interests, values, and similar personal preferences

**Step 3:** Weight the previously identified criteria in order to give them the correct priority in the decision.

**Step 4:** Generate possible alternatives that could succeed in resolving the problem.

**Step 5:** Rating each alternative on each criterion.
- Critically analyze and evaluate each alternative
- The strengths and weaknesses of each alternative become evident as they are compared with the criteria and weights established in the second and third steps.

**Step 6:** The final step is to compute the optimal decision:
- Evaluating each alternative against the weighted criteria and selecting the alternative with the highest total score.

A rational decision model presupposes that there is **one best outcome**. Because of this it is sometimes called an optimizing decision making model. The search for perfection is frequently a factor in actually delaying making a decision.

Such a model also presupposes that it is possible to **consider every option** and also to know the **future consequences** of each. While many would like to think they know what will happen, the universe often has other plans!

It is also limited by the cognitive abilities of the person making the decision; How good is their memory? How good is their imagination? The criteria themselves, of course, will be subjective and may be difficult to compare. These models require a great deal of time and a
great deal of information. And, of course, a rational decision making model attempts to negate the role of emotions in decision making.

**DECISION-MAKING STYLES**

As illustrated in the diagram below research on decision-making styles has identified four different individual approaches to making decisions.

![Decision-Making Styles Diagram](image)

These four quadrants created by a person’s tolerance for ambiguity and his or her methods of thinking create four unique styles of decision making. They are characterized by the following traits.

**Directive Decision-Making**

- Low tolerance for ambiguity and seek rationality.
- Efficient and logical.
- Decisions are made with minimal information and with few alternatives assessed.
- Make decisions fast and focus on the short-run.

**Analytic Decision-Making**

- Greater tolerance for ambiguity.
- Desire for more information and consideration of more alternatives.
- Best characterized as careful decision makers with the ability to adapt to or cope with new situations.

**Conceptual Decision-Making**

- Tend to be very broad in their outlook and consider many alternatives.
- Their focus is long range, and they are very good at finding creative solutions to problems.
Behavioral Decision-Making

- Characterizes decision makers who work well with others.
- Concerned with the achievement of peers and subordinates and are receptive to suggestions from others, relying heavily on meetings for communicating.
- Tries to avoid conflict and seeks acceptance.

Most managers have characteristics that fall into more than one. It is best to think in terms of a manager’s dominant style and his or her backup styles. Business students, lower-level managers, and top executives tend to score highest in the analytic style.

Focusing on decision styles can be useful for helping you to understand how two equally intelligent people, with access to the same information, can differ in the ways they approach decisions and the final choices they make.

SUMMARY
Effective and timely decision making is essential to any business. The type of decision making approach will be impacted by the personality of the managers and the type of organizational and governance structure employed by the business. Decision making approaches may change based on the growth of the organization and the locus of control of the business.

Now let’s examine the impact of individual motivation on the workforce.
TOPIC 2.7 – MOTIVATION AND THE ORGANIZATION

INTRODUCTION
If you and your workforce are not motivated then the business is probably doomed to failure. Understanding what motivates you and your workers is an important aspect of managing your organization. This topic will examine motivation and its impact on your business.

OBJECTIVES
Upon completion of this topic you should be able to:

1. Define motivation.
2. Employ various motivational theories.
3. Outline the goal setting theory.
4. Discuss the importance of motivation to an organization.
5. Explain the concepts of motivation and compensation.

DEFINING MOTIVATION
Motivation is the process that account for an individual’s intensity, direction and persistence of effort toward attaining a goal. Motivation is also considered:

- A state of mind, desire, energy or interest that translates into action.
- The inner drive that directs a person’s behaviour toward goals.

Motivation is central to understanding and managing organizational behaviour because it influences workers’ behaviours, workers’ level of effort, and their persistence in the face of obstacles. This section discusses the differences between motivation and performance and between intrinsic and extrinsic motivation. Several theories of work motivation are described: need theory, expectancy theory and equity theory.

Key elements of motivation include intensity and direction. Intensity is how hard a person tries. Intensity is concerned with how hard a person tries. This is the element most of us focus on when we talk about motivation. Direction moves a person towards a beneficial goal. Direction is the orientation that benefits the organization his/her effort. Motivated individuals stay with a task long enough to achieve their goal.

Activity – Motivation Self-Assessment
Before beginning, think about what motivates you every day. Ask yourself how do I demonstrate my personal motivation and how does that impact my ability to succeed in business.

Record your observations in your course journal.
**Types of Motivation**

Motivation can be either intrinsic or extrinsic. Intrinsic motivation is when you want to do something. Extrinsic motivation is when somebody else tries to make you do something.

Intrinsic and extrinsic motivation can be either positive or negative. Positive motivation is when you want to get something – motivation moving towards some goal. Negative motivation is away from something you want to avoid. Combine these two dimensions and we get four kinds of motivation, as illustrated in the figure below.

Being motivated is important to individual employees because:

- Motivation will help him achieve his personal goals.
- If an individual is motivated, he will have job satisfaction.
- Motivation will help in self-development of individual.
- An individual would always gain by working with a dynamic team.

Motivation is important to a business and the owners of a business because:

- The more motivated the employees are, the more empowered the team is.
- The more is the team work and individual employee contribution, more profitable and successful is the business.
- During period of amendments, there will be more adaptability and creativity.
- Motivation will lead to an optimistic and challenging attitude at work place.
Now let’s examine different motivational theories and how you could use them to create a motivated workforce.

**Motivational Theories**

Hertzberg’s motivator-hygiene theory and McClelland’s descriptions are of the needs for achievement, affiliation, and power. Two other content theories which will also be discussed are the theories of Abraham Maslow and Clay Alderfer.

**Motivation—Hygiene Theory**

Hertzberg’s theory takes into account that there are different dimensions to job satisfaction and job dissatisfaction and these factors do not overlap. He suggests that the hygiene factors must be present to ensure a worker can function comfortably. But he warns that a state of no dissatisfaction never exists. In any situation, people will always be dissatisfied with something. Managers should make hygiene as positive as possible but should then expect only short run, not long run improvements in motivation. Managers must instead focus on providing the motivation factors which will presumably enhance motivation and long term effort. The major factors addressed in Hygiene Theory include:

The job factors that Herzberg found most frequently associated with satisfaction are achievement, recognition, responsibility, advancement, growth and the work itself. He considered these as motivation factors because their presence increased motivation. However, their absence does not necessarily result in dissatisfaction. When motivation factors are present they act as *satisfiers*.

Job factors cited as causing dissatisfaction are supervision, working conditions, interpersonal relations, pay, job security, and company policies and administration. These
factors he called Hygiene Factors (Business Factors) reduced dissatisfaction when they are present to an acceptable degree but even when present they did not result in high levels of workforce motivation. When hygiene (business) factors are absent they act as dissatisfiers.

Frederick Hertzberg’s motivation-hygiene theory proposes that intrinsic factors are related to job satisfaction and motivation, whereas extrinsic factors are associated with job dissatisfaction. Herzberg investigated the question "What do people want from their jobs?" He asked people for detailed descriptions of situations in which they felt exceptionally good or bad about their jobs.

Frederick Hertzberg’s motivation-hygiene theory proposes that intrinsic factors are related to job satisfaction and motivation, whereas extrinsic factors are associated with job dissatisfaction. Believing that an individual's relation to his or her work is a basic one and that his or her attitude toward work determines success or failure, Herzberg investigated the question "What do people want from their jobs?"

Certain workforce characteristics/factors were consistently related to job satisfaction and others to job dissatisfaction (those reflected as business factors). Those factors associated with job satisfaction were intrinsic and included things such as achievement, recognition, and responsibility. When people felt good about their work, they tended to attribute these characteristics to themselves. On the other hand, when they were dissatisfied, they tended to cite extrinsic factors such as company policy and administration, supervision, interpersonal relationships, and working conditions.

In addition, Herzberg believed that the data suggested that the opposite of satisfaction was not dissatisfaction, as traditionally had been believed. Removing dissatisfying characteristics from a job would not necessarily make that job more satisfying (or motivating). Herzberg proposed that his findings indicated the existence of a dual continuum: The opposite of "satisfaction" is "no satisfaction," and the opposite of "dissatisfaction" is "no dissatisfaction."

When these factors are adequate, people will not be dissatisfied, but they will not be satisfied (or motivated) either. To motivate people on their jobs, Herzberg suggested emphasizing motivators, the intrinsic factors that increase job satisfaction.

Hertzberg’s theory enjoyed wide popularity from the mid-1960s to the early 1980s, but criticisms were raised about his procedures and methodology. Although today we say the theory was too simplistic, it has had a strong influence on how we currently design jobs.

**McClelland’s Theory of Needs**

People with a high need for achievement are striving for personal achievement rather than for the trappings and rewards of success. They have a desire to do something better or more efficiently than it's been done before. They prefer jobs that offer personal responsibility for finding solutions to problems, in which they can receive rapid and
unambiguous feedback on their performance in order to tell whether they're improving, and in which they can set moderately challenging goals. High achievers aren't gamblers; they dislike succeeding by chance. They are motivated by and prefer the challenge of working at a problem and accepting the personal responsibility for success or failure. An important point is that high achievers avoid what they perceive to be very easy or very difficult tasks. Also, a high need to achieve doesn't necessarily lead to being a good manager, especially in large organizations. A high achievement salesperson at Merck does not necessarily make a good sales manager and good managers in large organizations such as, the other two needs in the three-need theory haven't been researched as extensively as the need for achievement. However, we do know that the needs for affiliation and power are closely related to managerial success. The best managers tend to be high in Need theory is actually a collection of theories that focus on workers' needs as the sources of motivation. Need theories propose that workers seek to satisfy many of their needs at work, so their behaviour at work is oriented toward need satisfaction? A need is a requirement for survival and well-being.

As identified in the diagram bellow McClelland identifies three different, but related needs that all persons demonstrate or have the potential to demonstrate.

![Need for Achievement, Need for Affiliation, Need for Power Diagram]

These three needs can be translated into observable actions.

1. **Need for Achievement**
   - The desire to do something better or more efficiently, to solve problems, or to master complex tasks.
   - High need for achievement people.
   - Prefer individual responsibilities.
• Prefer challenging goals.
• Prefer performance feedback.

2. Need for Affiliation
• The desire to establish and maintain friendly and warm relations with others.
• High need for affiliation.
• Are drawn to interpersonal relationships.
• Seek opportunities for communication.

3. Need for Power
• The desire to control others, to influence their behaviour, or to be responsible for others.
• High need for personal and professional power.
• Seeks influence over others.
• Likes attention.
• Likes recognition.

MASLOW’S HIERARCHY OF NEEDS
Maslow's Hierarchy of Needs is an early and accepted type of behaviourist theory that espouses that humans attempt to continuously satisfy their needs and will continue to seek out rewards that will satisfy their biological needs. This theory manifests itself into five levels of need (as described in the diagram below). Maslow believed that the lower level needs had to be satisfied before an adult could realize the higher level needs. Specifically, Maslow and his supporters felt that adults needed to satisfy their physiological and safety needs before they could participate in the learning or work environment.

The table below provides an explanation of each need level and provides examples of their impact on an individual in his or her work environment.
<table>
<thead>
<tr>
<th>Need Level</th>
<th>Description to Meet Need</th>
<th>Impact on Student</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-Actualization (Higher Level)</td>
<td>• Creativity. • Achieving personal goals and aspirations. • Expertise.</td>
<td>• Allow workers to establish own learning outcomes. • Allow workers to control their own work environment. • Encourage workers to work outside of the box.</td>
</tr>
<tr>
<td>Esteem (Higher Level)</td>
<td>• Confidence in one’s ability to perform. • Recognition. • Competent in applying skills.</td>
<td>• Employ these workers in some form of mentoring or coaching role. • Provide opportunities for these workers to share ideas and assignments with other students. • Provide opportunity to practice new skills.</td>
</tr>
<tr>
<td>Love and Belonging (Higher Level)</td>
<td>• Acceptance by others. • Feelings of belonging. • Friendship and kinship. • Active participation.</td>
<td>• Create opportunities for team or small group work. • Emphasise teamwork and assess the team not the individuals. • Ensure everyone has an equal opportunity to participate.</td>
</tr>
<tr>
<td>Safety (Lower Level)</td>
<td>• Lack of fear. • Feeling of safety and security.</td>
<td>• Workers fear failure in the work environment must be minimised. • Give workers opportunity to practice in a non-threatening environment.</td>
</tr>
<tr>
<td>Basic Needs (Lower Level)</td>
<td>• Adequate food and shelter. • Well-being and personal health. • Well rested, relaxed and comfortable.</td>
<td>• If these basic needs have not been met, workers will not have the physical or mental ability to learn or work productively.</td>
</tr>
</tbody>
</table>

**Theory of Achievement Motivation**

Atkinson’s Achievement Theory hypothesises that behaviour and thus motivation are affected by three variables: the need or desire to succeed; the probability that the individual will achieve his or her desired goals; and the incentive or reward available if the student is successful and achieves his or her goals.

At the opposite end of the spectrum, Atkinson believes individuals will actively attempt to avoid failure. The process of avoiding failure is affected by: how much a person wishes to avoid failure at all costs; the probability that the individual will fail at his or her task; and the potential for embarrassment or criticism if failure does occur.
Achievement oriented individuals who have a fear of failure will likely choose goals that are relatively easy to complete and manageable to achieve. High achievement individuals with little or no fear of failure will try and push the limit of their ability. They will establish goals and objectives, which tests the limits of their abilities. Managers can help individuals achieve their goals by reducing or eliminating the variables that encourage failure and providing positive incentives for success. Some of the procedures that managers should consider are:

1. To provide effective, regular and timely feedback.
2. To always provide encouragement to their workers.
3. To look for workers who are not actively engaged in the course and invest time in one-on-one communications to get them to become more engaged.
4. To make sure work assignments can be achieved by the assigned individuals.

**ALDERFER’S ERG THEORY**

Alderfer’s existence-relatedness-growth (ERG) theory is also a need theory of work motivation. Alderfer reduces the number of needs from five to three and states that needs at more than one level can be motivators at any time. Like Maslow, Alderfer proposes a hierarchy of needs. Yet, he believes that when an individual has difficulty satisfying a higher-level need, motivation to satisfy lower-level needs increase. A three-level hierarchical need theory of motivation that allows for movement up and down the hierarchy.

- **Existence Needs.**
- **Relatedness Need.**
- **Growth Needs.**

**Similarities to Maslow’s Needs Hierarchy**

After the original formulation of Maslow’s Hierarchy of Needs, studies had shown that the middle levels of Maslow’s hierarchy overlap. Alderfer addressed this issue by reducing the number of levels to three. The letters **ERG** represent these three levels of needs:

- Existence refers to our concern with basic material existence motivators.
• Relatedness refers to the motivation we have for maintaining interpersonal relationships.
• Growth refers to an intrinsic desire for personal development.

Like Maslow's model, the ERG motivation is hierarchical, and creates a pyramid or triangle appearance. Existence needs motivate at a more fundamental level than relatedness needs, which, in turn supersedes growth needs.

**Differences from Maslow's Needs Hierarchy**

Beyond simply reducing the distinction between overlapping needs, the ERG theory improves upon the following shortcomings of Maslow's Needs Hierarchy:

• Alderfer's ERG theory demonstrates that more than one need may motivate at the same time. A lower motivator need not be substantially satisfied before one can move onto higher motivators.
• The ERG theory also accounts for differences in need preferences between cultures better than Maslow's Need Hierarchy; the order of needs can be different for different people. This flexibility accounts for a wider range of observed behaviours. For example, it can explain the "starving artist" who may place growth needs above those of existence.
• The ERG theory acknowledges that if a higher-order need is frustrated, an individual may regress to increase the satisfaction of a lower-order need which appears easier to satisfy. This is known as the *frustration-regression principle*.

**McGregor's Theory X and Theory Y**

Douglas McGregor is best known for his formulation of two sets of assumptions about human nature: Theory X and Theory Y.

Very simply, Theory X presents an essentially negative view of people. It assumes that workers have little ambition, dislike work, want to avoid responsibility, and need to be closely controlled to work effectively. Theory Y offers a positive view. It assumes that workers can exercise self-direction, accept and actually seek out responsibility, and consider work to be a natural activity. McGregor believed that Theory Y assumptions better captured the true nature of workers and should guide management practice presented by Maslow. Theory X assumed that lower-order needs dominated individuals, and Theory Y assumed that higher-order needs dominated. McGregor himself held to the belief that the assumptions of Theory Y were more valid than those of Theory X. Therefore, he proposed that participation in decision making, responsible and challenging jobs, and good group relations would maximize employee motivation.

Unfortunately, there is no evidence to confirm that either set of assumptions is valid or that accepting Theory Y assumptions and altering your actions accordingly will make employees more motivated.
Under Theory X, the four assumptions held by managers are:

- Employees inherently dislike work and, whenever possible, will attempt to avoid it.
- Since employees dislike work, they must be coerced, controlled, or threatened with punishment to achieve goals.
- Employee will avoid responsibilities and seek formal direction whenever possible.

Under Theory Y, the assumptions are:

- Employees can view work as being as natural as rest or play.
- People will exercise self-direction and self-control if they are committed to the objectives.
- The average person can learn to accept, even seek, responsibility.
- The ability to make innovative decisions is widely spread throughout the population and is not necessarily the sole responsibility of those in management positions.

**EXPECTANCY THEORY**

It states that an individual tends to act in a certain way based on the expectation that the act will be followed by a given outcome and on the attractiveness of that outcome to the individual. It is also a model of motivation based on the assumptions that motivation depends on how much we want something and how likely we think we will get. Let us examine the figure below.
Expectancy theory focuses on how workers make choices among alternative behaviours and levels of effort. With its emphasis on choices, expectancy theory focuses on workers perceptions and thoughts or cognitive processes. By describing how workers make choices, expectancy theory provides managers with valuable insights on how to get workers to perform desired behaviours and how to encourage workers to exert high levels of effort.

Expectancy theory makes two assumptions.

1. Workers are motivated to receive positive outcomes and avoid negative outcomes; and
2. Workers are rational, careful processors of information.

Let's look at the theory's features and go through an example of how it works.

First, what perceived outcomes does the job offer the employee? Outcomes (rewards) may be positive—things such as pay, security, companionship, trust, fringe benefits, a chance to use talents or skills, or congenial relationships. Or the employee may view the outcomes as negative—fatigue, boredom, frustration, anxiety, harsh supervision, or threat of dismissal. Keep in mind that reality isn't relevant here. The critical issue is what the individual perceives the outcomes to be, regardless of whether the perceptions are accurate.

Secondly, how attractive are the outcomes or rewards to employees? Are they valued positively, negatively, or neutrally? This obviously is a personal and internal issue that depends on the individual's needs, attitudes, and personality. A person who finds a particular reward attractive—that is, values it positively—would rather get it than not get it. Others may find it negative and, therefore, prefer not getting it. Still others may be neutral about the outcome.

Thirdly, what kind of behaviour must the employee exhibit in order to achieve these rewards? The rewards aren't likely to have any effect on an individual employee's performance unless he or she knows, clearly and unambiguously, what must be done to achieve them. For example, what is "doing well" in terms of performance appraisal? What criteria will be used to judge the employee's performance?

Finally, how does the employee view his or her chances of doing what is asked? After an employee has considered his or her own skills and ability to control those variables that lead to success, what's the likelihood that he or she can successfully perform at the necessary level?

Expectancy theory is complex because each action we take is likely to lead to several outcomes. Some we may want and other we may not want. Expectancy theory is important managers because it provides several guidelines for managers. Managers must recognize employees work for a variety of reasons. These reasons or expected outcomes, may
change over time and it is necessary to clearly show employees, how they can attain the outcomes they desire.

**Activity – Motivation**

Consider the following situation: Three salespersons are candidates for a job promotion to sales manager.

Bill has had a good sales year and always gets good performance evaluations. However he isn’t sure he wants the job because it involves a great deal of travel, long hours of work and much stress and pressure.

Paul wants the job badly but doesn’t think he has much chance of getting it. He has had a terrible sale year and gets only mediocre performance evaluation from his present boss.

Susan wants the job as much as Paul and thinks she has a pretty good shot at it. Her sales have improved significantly this past year, and her evaluations are the best in the company.

Explore the different motivations of each individual. Determine which motivation theory fits each person. Consider what theory fits each person and record your observations in your course journal.

**Motivation And Compensation**

As noted in a number of the theories pay and compensation can be both a motivator and demotivator. Some of the approaches to compensation that an organization should consider include:

**Pay-for-Performance** - Compensation plans such as piece-rate plans, profit sharing, and the like that pay employees on the basis of performance measures not directly related to time spent on the job.

**Flextime** - A scheduling option that allows employees select what their work hours will be within some specified parameters.

**Job Sharing** - A type part-time work that allows two or more workers to split a traditional 40-hour-a-week job

Telecommuting - A system of working at home on a computer that is linked to the office

Giving employees power by:

- Allowing them to complete the whole job.
- Having employees work together across departments and functions in the organization.
- Using participative decision making in which employees provide input into decisions.
• Delegating decisions and duties, turning over the responsibility for carrying them out to employees.
• Redesigning their jobs so they have discretion over the way they do their work.

SUMMARY
Self-motivation and the motivation of your workforce is an important factor that must be considered when building a business. You must consider what form of extrinsic motivators should be part of the business process. You must also consider ways of recognizing and enhancing the intrinsic motivators of your employees.

You must also assess your own motivation level. You need to understand what motivates you and how this can be used to help build the business.
UNIT TWO – SUMMARY

ASSIGNMENTS AND ACTIVITIES

Once you have completed this unit and the required readings you should complete the unit assignment described earlier and repeated below.

The Unit Two Assignment – Individual Analysis

The assignment requires you to examine an existing organization and report on the individual variables that impact the organization. Gather data by observation and interviews and report back on the following:

1) A description of the organization including:
   a) Products and services.
   b) Size of workforce.
   c) Management team.
   d) Structure of the workforce.
2) Employee and Manager characteristics including:
   a) Physical and Biological Characteristics.
   b) Attitude and its impact on observable behaviour.
   c) Personality.
   d) Decision Making and Leadership.
   e) Motivation and its impact on observable behaviour.

The report should explain how these characteristics impact on the productivity at work and the success or failure of the business.

The report should be no more than 15 double spaced pages. References should be used to support your arguments and observations. You should NOT report on specific individuals or provide names in the final report. Once you have completed your report submit it to your instructor for review and feedback.

SUMMARY

Individual behaviour at work is influenced by a number of different variables. Attitudes, value systems, personality and motivation can influence how you or your employees complete their job. Managers and business operators must be sensitive the individual characteristics of their employees. They must monitor job satisfaction and determine how to ensure that the internal and external needs of their workforce is met. If individual needs are met productivity, customer service and quality should increase. Therefore it is important to understand the characteristics that drive individual behaviour.

NEXT STEPS

Now that we have examined individual behaviour we must consider the impact of group behaviour on the organization and its ability to meet its organizational goals and objectives.
UNIT THREE – GROUP BEHAVIOUR AND THE ORGANIZATION

INTRODUCTION
Individual and group behaviour can be quite different. Individual values, motivation and perception can be influenced by others around them. In the workforce stronger personalities can dominate the group and these informal leaders can influence the behaviour of the group as a whole. For example if a union decides to go out on strike some individuals may not support this solution. But the overall impact of the group will force individuals to give in and conform to group behaviour. This unit will explore some of the variables that impact group behaviour.

OBJECTIVES
Upon completion of this unit you will be able to:

1. Explain the foundations of group behaviour.
2. Establish group goals and assess the achievement of those goals.
3. Employ effective group communications.
4. Recognize situations that could result in conflict or disagreement.
5. Negotiate a solution to conflict within a group or between individuals.

READINGS
As you complete this unit you are required to read the following chapters/articles:

  o Read the following lessons:
    ▪ Lesson 18 – Understanding Teams.
    ▪ Lesson 19 – Group Decision Making.
    ▪ Lesson 20 and 21 – Communications.
    ▪ Lesson 22 – Leadership Theories.
    ▪ Lesson 23 – Leadership Applications.
    ▪ Lesson 24 – Power and Politics.
    ▪ Lesson 26 and 27 – Conflict and Negotiation.

  o Read the following chapters:
    ▪ Chapter 5 – Organizational Communications and Power.
    ▪ Chapter 6 – Groups and Teams in Organizations.
    ▪ Chapter 7 – Leadership
ASSIGNMENTS AND ACTIVITIES

This is a practical assignment. You will be required to observe and analyze the behaviour of a group you are familiar with. This group can be associated with: your workplace; your church; an organization you volunteer in; your school or institution; or any other group that you instructor deems appropriate. The group should have a specific project or major activity they are working on.

Once you have selected a group observe it for at least eight hours. You may need to do this over several sessions if it is a group like a church committee or a Boy Scout troop that only meets occasionally. Consider the literature you have read and the ideas presented in this unit. As you observe the group explore and report on the following:

1. Does the group have established goals and objectives?
2. What type of group behaviours does the group exhibit?
3. How does the group communicate?
4. Is there one or two people in the group that seem to be the unofficial leaders?
5. What type of decision making process do they employ?
6. How does the group handle conflict/disagreements?
7. How does the group behaviour differ from your own personal behaviour?

The paper should be between five and ten pages double spaced. Your observations should be supported by references from the literature or the course readings. Once you have completed your report you should submit it to your instructor for feedback.
TOPIC 3.1 - FOUNDATIONS OF GROUP BEHAVIOUR

INTRODUCTION
A group is defined as two more individuals interacting with each other in order to accomplish a goal. When two or more individuals with different personalities, motivations and values work together different dynamics will occur. As a manager of a business or as a member of a group you should be able to recognize the different behaviours and react appropriately. This topic will explore group behaviour and its potential impact on the organization.

OBJECTIVES
Upon completion of this topic you will be able to:

1. List the different types of work groups.
2. Explain the group development and interaction process.
3. Describe the different types of teams.
4. List the characteristics of teams.

TYPES OF WORK GROUPS
Work groups can be formal or informal.

Formal work groups are established to achieve organizational goals. Managers form a product quality committee to handle health and safety concerns in a manufacturing organization.

Informal work groups emerge naturally when group members perceive that a group can achieve goals or meet their needs. Coworkers eat lunch each day to satisfy needs for affiliation and friendship. Informal groups can also include like-minded individuals who want to share or exchange information and ideas about a specific subject.

Formal work groups include command groups, task forces, teams, and self-managed work teams. A command group is a collection of subordinates who report to the same supervisor. Command groups are based on formal reporting relationships and often consist of members from different departments.
STAGES OF GROUP DEVELOPMENT

Groups go through a growth and maturing stage to reach their goals and to eventually disband. The longer they remain together the more stages they will move through. Each stage goes through different steps and faces different issues.

Forming Stage

- Characterized by a great deal of uncertainty about the group’s purpose, structure, and leadership.
- Members are trying to determine what types of behaviour are acceptable.
- Stage is complete when members have begun to think of themselves as part of a group.
- Initial entry of members to a group.

Members concerns include:

1. Getting to know each other.
2. Discovering what is considered acceptable behaviour.
3. Determining the group’s real task.

Storming Phase

- One of intra-group conflict. Members accept the existence of the group, but there is resistance to constraints on individuality.
- Conflict over who will control the group.
- When complete, there will be a relatively clear hierarchy of leadership within the group.
- A period of high emotionality and tension among group members.

Members concerns include:

- Formation of coalitions and cliques.
- Dealing with outside demands.
- Clarifying membership expectations.
- Dealing with obstacles to group goals.
- Understanding members’ interpersonal styles.

Norming Phase

- One in which close relationships develop and the group demonstrates cohesiveness.
• There is now a strong sense of group identity and camaraderie.
• Stage is complete when the group structure solidifies and the group has assimilated a common set of expectations of what defines correct member behaviour.
• The point at which the group really begins to come together as a coordinated unit.

Members concerns include:

• Holding the group together.
• Dealing with divergent views and criticisms.
• Dealing with a premature sense of accomplishment.

Performing Phase

• The structure at this point is fully functional and accepted.
• Group energy has moved from getting to know and understand each other to performing.
• For permanent work groups, performing is the last stage in their development.
• Marks the emergence of a mature, organized, and well-functioning group.
• Members deal with complex tasks and handle internal disagreements in creative ways.
• Primary challenge is to continue to improve relationships and performance.

Adjourning Phase

• For temporary committees, teams, task forces, and similar groups that have a limited task to perform, there is an adjourning stage.
• In this stage, the group prepares for its disbandment. Attention is directed toward wrapping up activities.
• Responses of group members vary in this stage. Some are upbeat, basking in the group's accomplishments. Others may be depressed over the loss of camaraderie and friendships.
• Particularly important for temporary groups.

A well-integrated group is able to disband when its work is finished and willing to work together in the future.

TEAMS

Teams are groups with greater interdependence—shared purpose and destiny. The current popularity of teams seems based on the evidence that teams typically outperform individuals when the tasks being done require multiple skills, judgment, and experience. As organizations have restructured, they have turned to teams to better utilize employee talents. The motivational properties of teams are a huge factor. The role of employee involvement as a motivator—teams facilitate employee participation in operating decisions.
Characteristics of Effective Teams

1. **There is a clear unity of purpose.** There is free discussion of the objectives until members can commit themselves to them; the objectives are meaningful to each group member.

2. **The group is self-conscious about its own operations.** The group has taken time to explicitly discuss group process -- how the group will function to achieve its objectives. The group has a clear, explicit, and mutually agreed-upon approach: mechanics, norms, expectations, rules, etc. Frequently, it will stop to examined how well it is doing or what may be interfering with its operation. Whatever the problem may be, it gets open discussion and a solution found.

3. **The group has set clear and demanding performance goals.** for itself and has translated these performance goals into well-defined concrete milestones against which it measures itself. The group defines and achieves a continuous series of "small wins" along the way to larger goals.

4. **The atmosphere tends to be informal, comfortable, relaxed.** There are no obvious tensions, a working atmosphere in which people are involved and interested.

5. **There is a lot of discussion in which virtually everyone participates.** Discussion remains pertinent to the purpose of the group. If discussion gets off track, someone will bring it back in short order. The members listen to each other. Every idea is given a hearing. People are not afraid of being foolish by putting forth a creative thought even if it seems extreme.

6. **People are free in expressing their feelings as well as their ideas.**

7. **There is disagreement and this is viewed as good.** Disagreements are not suppressed or overridden by premature group action. The reasons are carefully examined, and the group seeks to resolve them rather than dominate the dissenter. Dissenters are not trying to dominate the group; they have a genuine difference of opinion. If there are basic disagreements that cannot be resolved, the group figures out a way to live with them without letting them block its efforts.

8. **Most decisions are made at a point where there is general agreement.** However, those who disagree with the general agreement of the group do not keep their opposition private and let an apparent consensus mask their disagreement. The group does not accept a simple majority as a proper basis for action.
9. **Each individual carries his or her own weight.** Members must meet or exceed the expectations of other group members. Each individual is respectful of the mechanics of the group: arriving on time, coming to meetings prepared, completing agreed upon tasks on time, etc. When action is taken, clear assignments are made (who-what-when) and willingly accepted and completed by each group member.

10. **Criticism is frequent, frank and relatively comfortable.** The criticism has a constructive flavor -- oriented toward removing an obstacle that faces the group.

11. **The leadership of the group shifts from time to time.** The issue is not who controls, but how to get the job done.

**TYPES OF TEAMS**

**Problem-Solving Teams**

Problem-solving teams are typically composed of 5–12 hourly employees from the same department who met for environment. The purpose of the team is address a specific problem or issue. Once this is done they normally adjourn. Members share ideas or offer suggestions on how work processes and methods can be improved. Rarely are they given the authority to unilaterally implement their suggested actions.

**Self-Managed Work Teams**

Self-managed work teams bring together separate tasks, once performed by individuals led by a supervisor, giving team members responsibility for task accomplishment. This type of team exists at all organizational levels. Self-managed work teams motivate group members to perform at a higher level and increase job satisfaction. Often these teams have some form of decision making or implementation authority.

**Cross-Functional Teams**

Cross-functional teams are made up of employees from about the same hierarchical level, but from different work areas, who come together to accomplish a task. Many organizations have used horizontal, boundary-spanning groups for years. A task force is really nothing other than a temporary cross-functional team. The difference between this type of team and problem solving teams is that membership is made up from a number of different departments to examine the problem or accomplish the task.

**Virtual Teams**

Virtual teams can be either problem-solving, self-managed or cross-functional. The difference is the method of communications and idea sharing. This team employs online or telecommunications tools to interact electronically rather than face to face. Organizations
use virtual teams to enable people who are separated by distance and living in different countries and time zones to work together. Synchronous technologies enable team members to communicate in real time and simultaneously such as video conferencing, teleconferencing, and electronic meetings.

**SUMMARY**

Teams are normally formed to address a specific problem or work on specific project. Teams will take on some of the characteristics of their team members. Team effectiveness can be observed and in some cases measured. Effective teams, be they virtual, cross-functional, self-managed or problem solving should establish ground rules to guide the team, require team members to support the decisions of the group and should respect the ideas of fellow team members.

It is essential that teams establish goals and objectives to guide their work and measure their progress. The next topic will explore different methods of goal setting.
TOPIC 3.2 - GOAL SETTING

INTRODUCTION
Goals are specific objectives that are used to measure successful achievement of a task, the creation of a product or the provision of a service. Goals are normally time limited and can be measured and the outcome of the goal can be observed. Goal setting is an art. Goals must be achievable. Individuals and work teams are often governed by goals and milestones established by the organization and its management team. Understanding goal setting and how to establish effective goals will be explored in this topic.

OBJECTIVES
Upon completion of this topic you will be able to:

1. Describe the characteristics of effective goals.
2. Implement Management by Objectives (MBO).

EFFECTIVE GOALS
Goals must be written in a way that there is no chance of interpretation about whether the goal has been achieved or not. For example a business goal that states “the business will make a profit” is certainly a desirable goal but open to interpretation. Some questions arising from this goal include:

1. How long before a profit is made? One month, one year or several years?
2. What will you use to measure profit? % of operating costs, dollar amount, etc.
3. How much profit is considered successful? $100, $1000, 10%.

A better way to write this goal is “Business XYZ will demonstrate a 10% net profit within the first year of operation”. Note: In the simplest of terms net profit is determined by:
Revenues − (Expenses + Tax) = Net Profit.

So what are the characteristics of effective goals?

1. **Challenging**: Goals should be realistic and suited to the team’s present capabilities. Small, progressive steps toward reasonable, long-term goals are crucial to success. *But goals should also push the team to extend itself beyond where they already are.*

2. **Attainable**: Don't take the challenging characteristic (above) too far. Make sure you can actually achieve what the team is setting out to do. Otherwise, everyone will get frustrated and the team will not be successful.

3. **Specific**: The team needs to define some very specific, concrete, and measurable action-steps that reflect what the goal looks like in real-life terms. The team must decide how they measure the results so they can determine if they are getting anywhere.
4. **Time-limited:** Goals need to come with deadlines, due dates, and payoff schedules. Otherwise, they'll fade into the background with your daily hubbub. If the team’s long-term goal is going to take a while to reach, create some intermediate- and short-term goals. These will make the team’s larger goal seem less daunting and will keep team members focused on what they can do here and now to help everyone get there.

5. **Positive:** Goals should always be framed in positive terms. Humans are not designed to white-knuckle their way through life, always trying to not do things or to avoid certain thoughts, feelings, actions or circumstances. We are much better at approaching what we DO want than avoiding what we don’t want.

6. **Flexible:** Good strategies and goals are always flexible, because nothing in this world stays the same for very long, and staying alive and on course means being able to adapt to changing circumstances.

**MANAGEMENT BY OBJECTIVES**

Management by objectives (MBO) is one way that a team can manage long term or complex projects or problems. The process requires very specific goals and multiple milestones. There may be team goals and these goals may be broken down into more specific objectives with very clear milestones. Objectives may be completed by individual team members or sub-committees who are assigned specific portions of the overall team goal.

Management by objectives emphasizes participative goal setting that is tangible, verifiable, and measurable. It is not a new idea. It originated more than 50 years ago. MBO’s appeal lies in its emphasis on converting overall organizational objectives into specific objectives for organizational units and individual members. MBO operationalizes objectives by devising a process by which objectives cascade down through the organization.

Four ingredients common to MBO programs are: goal specificity, participative decision-making, an explicit time period, and performance feedback.

1. **Goal Specificity** - The objectives in MBO should be concise statements of expected accomplishments. Example – To cut departmental costs by seven percent, to improve service by ensuring that all telephone orders are processed within 24 hours of receipt, or to increase quality by keeping returns to less than one percent of sales.

2. **Participative Decision Making** - The objectives in MBO are not unilaterally set by the boss and then assigned to employees. The manager and employee jointly choose the goals and agree on how they will be measured.
3. An Explicit Time Period - Each objective has a specific time period in which it is to be completed. Typically the time frame could be three months, six months, or a year.

4. Performance Feedback - MBO seeks to give continuous feedback on progress toward goals so that workers can monitor and correct their own actions.

MBO Procedures

Procedures for operating in an MBO environment are simple. The following steps must be completed:

1. The superior meets with the subordinate to develop and agree on subordinate objectives.
2. Periodic meetings monitor the subordinate’s progress in achieving the objectives.
3. An appraisal meeting evaluates objectives and diagnoses reasons for success and failure.
4. The MBO cycle is repeated regularly.

Before a big assignment or major class project presentation/project, has a teacher ever said to you "Just do the best that you can"? What does that vague statement, "do the best that you can," mean? Would your performance on a class project have been higher if that teacher had said that you needed to score a 93 percent to keep your A in the class? Would you have done better in high school Business if your parents had said, "You should strive for 85 percent or higher on all your work in Business class" rather than telling you to do your best?

Research on goal-setting addresses these issues and the findings indicate that specificity, challenge, and feedback have a positive impact on individual and group performance. There is substantial support for the proposition that specific goals increase performance and that difficult goals, when accepted, result in higher performance than do easy goals.

Intention to work toward a goal is a major source of job motivation. Studies on goal setting have demonstrated the superiority of specific and challenging goals as motivating forces. Hard goals produce a higher level of output than does the generalized goal of "do your best." The specificity of the goal itself acts as an internal stimulus. For instance, when a FedEx delivery truck driver commits to making 10 weekly round-trip hauls between Toronto and Buffalo, New York, this intention gives him a specific goal to try to attain. We can say that, all things being equal, the delivery person with a specific goal will outperform someone else operating with no goals or the generalized goal of "do your best".
How can goal setting improve performance?

- Goals are important aspects of any job design.
- Goals are needed to give proper direction to workers.
- Goal setting is the process of developing, negotiating, and formalizing the targets or objectives that a person is responsible for accomplishing.

Although it is not definitive that having employees participate in the goal-setting process is always desirable, participation is probably preferable to assigning goals when you expect resistance to accepting difficult challenges. In some cases, participative set goals elicited superior performance; in other cases, individuals performed best when their manager assigned goals. But a major advantage of participation may be in increasing acceptance of the goal itself as a desirable one toward which to work.

Finally, people will do better when they get feedback on how well they're progressing toward their goals because feedback helps identify discrepancies between what they have done and what they want to do; that is, feedback acts to guide behaviour. But all feedback isn't equally effective. Self-generated feedback—where the employee is able to monitor his or her own progress—has been shown to be a more powerful motivator than externally generated feedback.

Are there any contingencies in goal-setting theory, or can we just assume that difficult and specific goals always lead to higher performance? In addition to feedback, three other factors have been found to influence the goals-performance relationship. These are goal commitment, adequate self-efficacy, and national culture. Goal-setting theory presupposes that an individual is committed to the goal—that is, an individual is determined not to lower or abandon the goal. Commitment is most likely to occur when goals are made public, when the individual has an internal locus of control, and when the goals are self set rather than assigned. Self-efficacy refers to an individual's belief that he or she is capable of performing a task. The higher your self-efficacy, the more confidence you have in your ability to succeed in a task. So, in difficult situations, we find that people with low self-efficacy are likely to reduce their effort or give up altogether, whereas those with high self-efficacy will try harder to master the challenge. In addition, individuals with high self-efficacy seem to respond to negative feedback with increased effort and motivation, whereas those with low self-efficacy are likely to reduce their effort when given negative feedback.

Finally, goal-setting theory is culture bound. It is well adapted to countries such as the United States and Canada because its main ideas align reasonably well with North American cultures. It assumes that subordinates will be reasonably independent (not too high a score on power distance), that managers and employees will seek challenging goals (low in uncertainty avoidance), and that performance is considered important by both managers and subordinates (high in quantity of life). So don't expect goal setting to necessarily lead to
higher employee performance in countries such as Portugal or Chile, where the country's cultural characteristics aren't like this.

**SUMMARY**

Management by Objectives is an effective way to establish and manage the goals of a team and group. Organizations should consider using MBO to create and evaluate their business goals and objectives. Teams should use MBO to guide their problem solving or project work.

Once you have established your goals and objectives and formed your teams the group must communicate their ideas and learn to collaborate and share using effective communications methods. The next topic will explore this part of group and team behaviour.
TOPIC 3.3 - GROUP COMMUNICATIONS

INTRODUCTION
An effective and efficient organization fosters open and ongoing communications. Communications can be within the team, between supervisors and workers or between managers. Communication is the sharing of information between two or more individuals or groups to reach a common understanding. In this topic you will explore the communications process and its impact on the organization.

OBJECTIVES
Upon completion of this topic you will be able to:

3. Describe the communications process.
4. Describe what is considered effective communications.
5. Explain the different communications channels.

COMMUNICATION PROCESS
There a number of communications theories and models, but almost all of them have the following common elements when considering the effectiveness of the communications between sender and receiver.

The Shannon and Weaver Communications Model (as illustrated above) was one of the first models of communications. The diagram illustrates that a message begins at an information source (Encoder), which is relayed through a transmitter (Sender or technology used by the Sender), and then sent via a signal towards the receiver. But before it reaches the Receiver, the message must go through Noise (sources of external interference which may cause the message to become distorted). Finally, the Receiver must decode and store the message. Some messages may require some of feedback or response. The Feedback may be impacted by the Noise in the environment. In addition, the message is also impacted by the Sender’s and Receiver’s Field of Experience. The Field of Experience
represents the values, motivation, knowledge, culture and other variables that impact every individual.

Shannon and Weaver's model clearly demonstrates why even the simplest communications can be misunderstood. Transmitting a signal across additional media only adds to the complexity of the communication and increases the chance for distortion. It is suddenly easier to understand why other people just can't grasp what we already know.

Senders must have basic writing and oral communication skills, which many employees lack. A sender must use words the receiver understands. Jargon, specialized language of members of a profession or occupation, affects good communication. Although jargon facilitates communication because a single term describes a complex idea, it leads to ineffective communication when receivers are outside the occupation or profession.

**Noise interferes with the communication process.** Managers can decrease noise by increasing the readability and clarity of written communication or fixing broken answering machines and problematic e-mail systems. There are three types of noise.

- **External noise** – the sights, sounds, and other stimuli that draw people’s attention away from intended message
- **Internal noise** – the thoughts and feelings that interfere with meaning
- **Semantic noise** – alternate meanings of the message aroused by a speaker’s symbols.

The medium of delivery is the pathway or method through which an encoded message is transmitted to a receiver. The medium can include devices such as computers, telephones, videos and/or humans. The message can be in the form of a sound, sight, smell and touch.

Finally the receiver must provide feedback to the sender. This feedback often uses the same medium that the sender used to deliver the message. If the sender sent the message using a telephone, the receiver will in all likelihood use the same medium to respond or provide feedback to the sender.

When the sender and receiver are separated by time and space there is potential for misinterpreting the original message. There are four communications problems in organizations: filtering and information distortion, poor listening, lack of or inappropriate feedback, and rumors.

Effective communication is required at various levels within the organization. Some examples of where effective communications is required are:

1. **For manager – employee relations** - Effective communication of information and decision is an essential component for management-employee relations. The manager cannot get the work done from employees unless they are communicated effectively of what he wants to be done? He should also be sure of some basic facts
such as how to communicate and what results can be expected from that communication. Most of management problems arise because of lack of effective communication. Chances of misunderstanding and misrepresentation can be minimized with proper communication system.

2. **For motivation and employee morale** - Communication is also a basic tool for motivation, which can improve morale of the employees in an organization. Inappropriate or faulty communication among employees or between manager and his subordinates is the major cause of conflict and low morale at work. Manager should clarify to employees about what is to be done, how well they are doing and what can be done for better performance to improve their motivation. He can prepare a written statement, clearly outlining the relationship between company objectives and personal objectives and integrating the interest of the two.

3. **For increased productivity** - With effective communication, you can maintain a good human relation in the organization and by encouraging ideas or suggestions from employees or workers and implementing them whenever possible, you can also increase production at low cost.

4. **For employees** - It is through the communication that employees submit their work reports, comments, grievances and suggestions to their seniors or management. Organization should have effective and speedy communication policy and procedures to avoid delays, misunderstandings, confusion or distortions of facts and to establish harmony among all the concerned people and departments.

Importance of written communication - Communication may be made through oral or written. In oral communication, listeners can make out what speakers is trying to say, but in written communication, text matter in the message is a reflection of your thinking. So, written communication or message should be clear, purposeful and concise with correct words, to avoid any misinterpretation of your message. Written communications provides a permanent record for future use and it also gives an opportunity to employees to put up their comments or suggestions in writing.

**CHANNELS OF COMMUNICATIONS**

You can communicate your message over a number of channels. You could write a letter. You could send email. You could communicate it non-verbally or para-verbally. You could send a tape recording of your ranting about why you are angry. Those are all different channels.

What's important is that different communication channels have different strengths and weaknesses. If, for example, the CEO of a company wants to communicate there will be layoffs within the company, s/he could simply send a bulk email to all staff, and leave it at that? Would that be the best channel to use for that kind of message? Probably not. The
use of email would convey a lack of sincere concern on the CEO's part. A personally
delivered communications channel would be more appropriate.

Unfortunately, it's not uncommon for someone to pick the wrong communication channels
because they are fearful, or simply want to choose the easiest path in the short term.
Usually, this results in limited short term avoidance, but long term problems that go on and
on. Think about and choose the best channels for the specific message.

If you choose the wrong channels -- that is if the channels are not effective for the type of
message and meaning you want to create -- you are likely to create misunderstanding, and
even end up worse off then if you had kept the message to yourself. Not only does using
the wrong channels impede communication, but doing so can cause mistrust in others,
particularly about your sincerity and commitment to them.

Example: Let's say a departmental manager of 15 employees decides he wants to convey
the message that he values their work and well-being. He has a number of ways and
channels he can use to do this. He can walk around and talk face to face with his employees
on a regular basis, wishing them good morning, and inquiring as to their welfare (that's one
"channel"). He could send a memo out each morning wishing them good morning (that'd
be another channel). Or he could send an email.

The question is "Which channel would be best for this message?" Walking around and
talking face to face is the most "costly" in terms of time and managerial commitment, while
the other two are not costly. But consider the reaction of employees. How many employees
will get the meaning the manager is trying to send, if the channel is an automated email?
Worse, how many employees will question the manager's commitment if he chooses an
email channel to transmit a message that is clearly not suited to the channel?

That's just one example. The more emotionally loaded the message, the more thought has
to go into HOW to communicate it, and which channels to use.

**SUMMARY**

Members of the workforce and the management team must learn to communicate
effectively. They must practice good communications skills. They must learn to be good
listeners. They must be able to understand the message and correctly interpret the ideas
being presented in the message.

When communications are misread or sent inappropriately conflict can arise within the
workforce. The process of identifying and resolving conflict will explored in the next topic.
TOPIC 3.4 - CONFLICT AND NEGOTIATION

INTRODUCTION
Conflict within an organization is to be avoided, but when conflict occurs employees, supervisors and managers must know how to minimize the impact of the conflict through some form of negotiation. Conflict often has a negative impact on employees and on workplace productivity. This topic will explore the impact of conflict on the workplace.

OBJECTIVES
Upon completion of this topic you will be able to:

1. Define and identify workplace conflict.
2. Explain the models of conflict resolution.
3. Employ conflict resolution and conflict management techniques.
4. Apply a negotiating process.

WORKPLACE CONFLICT
Conflict is a human process which begins when one party perceives that the other is frustrated, or is about to become frustrated based on something that has happened within the workplace or between members of the workforce. Workplace conflict often occurs because:

- A party is required to engage in an activity that is incongruent with his or her needs or interests.
- A party holds behavioral preferences, the satisfaction of which is incompatible with another person's implementation of his or her preferences.
- A party wants some mutually desirable resource that is in short supply, such that the wants of all parties involved may not be satisfied fully.
- A party possesses attitudes, values, skills, and goals that are salient in directing his or her behavior but are perceived to be exclusive of the attitudes, values, skills, and goals held by the other(s).
- Two parties have partially exclusive behavioral preferences regarding their joint actions.
- Two parties are interdependent in the performance of functions or activities.

CONFlict RESOLUTION AND CONFLICT MANAGEMENT
As the name would suggest, conflict resolution involves the reduction, elimination, or termination of all forms and types of conflict. In practice, when people talk about conflict resolution they tend to use terms like negotiation, bargaining, mediation, or arbitration.

In line with the recommendations in the "how to" section, businesses can benefit from appropriate types and levels of conflict. That is the aim of conflict management, and not the aim of conflict resolution. Conflict management does not necessarily imply conflict
resolution. “Conflict management involves designing effective macro-level strategies to minimize the dysfunctions of conflict and enhancing the constructive functions of conflict in order to enhance learning and effectiveness in an organization” (Rahim, 2002, p. 208). Learning is essential for the longevity of any group. This is especially true for organizations; Organizational learning is essential for any company to remain in the market. Properly managed conflict increases learning through increasing the degree to which groups ask questions and challenge the status quo (Luthans, Rubach, & Marsnik, 1995).

MODELS OF CONFLICT MANAGEMENT
There have been many styles of conflict management behavior that have been researched in the past century. One of the earliest, Mary Parker Follett (1926/1940) found that conflict was managed by individuals in three main ways: domination, compromise, and integration. She also found other ways of handling conflict that were employed by organizations, such as avoidance and suppression.

Khun and Poole’s Model
Khun and Poole (2000) established a system of group conflict management. In their system, they identified two sub models of group conflict management: distributive and integrative.

- **Distributive** - Here conflict is approached as a distribution of a fixed amount of positive outcomes or resources, where one side will end up winning and the other losing, even if they do win some concessions.

- **Integrative** - Groups utilizing the integrative model see conflict as a chance to integrate the needs and concerns of both groups and make the best outcome possible. This model has a heavier emphasis on compromise than the distributive model. Khun and Poole found that the integrative model resulted in consistently better task related outcomes than those using the distributive model.

DeChurch and Marks’s Meta-Taxonomy
DeChurch and Marks (2001) examined the literature available on conflict management at the time and established what they claimed was a "meta-taxonomy" that encompasses all other models. They argued that all other styles have inherent in them into two dimensions - activeness ("the extent to which conflict behaviors make a responsive and direct rather than inert and indirect impression") and agreeableness ("the extent to which conflict behaviors make a pleasant and relaxed rather than unpleasant and strainful impression"). High activeness is characterized by openly discussing differences of opinion while fully going after their own interest. High agreeableness is characterized by attempting to satisfy all parties involved.

In the study they conducted to validate this division, activeness did not have a significant effect on the effectiveness of conflict resolution, but the agreeableness of the conflict
management style, whatever it was, did in fact have a positive impact on how groups felt about the way the conflict was managed, regardless of the outcome.

“Current” Conflict Management Model

Rahim (2002) noted that there is agreement among management scholars that there is no one best approach to how to make decisions, lead or manage conflict. In a similar vein, rather than creating a very specific model of conflict management, Rahim created a meta-model (in much the same way that DeChurch and Marks, 2001, created a meta-taxonomy) for conflict styles based on two dimensions, concern for self and concern for others (as shown in Table below).

<table>
<thead>
<tr>
<th>Conflict Style</th>
<th>Situations Where Appropriate</th>
<th>Situations Where Inappropriate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Integrating</td>
<td>• Issues are complex.</td>
<td>• Task or problem is simple.</td>
</tr>
<tr>
<td></td>
<td>• Synthesis of ideas is needed to come up with a better solution.</td>
<td>• Immediate decision is required.</td>
</tr>
<tr>
<td></td>
<td>• Commitment is needed from other parties for successful implementation.</td>
<td>• Other parties are unconcerned about the outcome.</td>
</tr>
<tr>
<td></td>
<td>• Time is available for problem solving.</td>
<td>• Other parties do not have problem-solving skills.</td>
</tr>
<tr>
<td></td>
<td>• Resources possessed by different parties are needed to solve their common problems.</td>
<td></td>
</tr>
<tr>
<td>Obliging</td>
<td>• You believe you may be wrong.</td>
<td>• Issue is important to you.</td>
</tr>
<tr>
<td></td>
<td>• Issue is more important to other party.</td>
<td>• You believe that you are right.</td>
</tr>
<tr>
<td></td>
<td>• You are willing to give up something in exchange for something from the other party in the future.</td>
<td>• The other party is wrong or unethical.</td>
</tr>
<tr>
<td></td>
<td>• You are dealing from a position of weakness.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Preserving relationships is important.</td>
<td></td>
</tr>
<tr>
<td>Dominating</td>
<td>• Issue is trivial.</td>
<td>• Issue is complex.</td>
</tr>
<tr>
<td></td>
<td>• Speedy decision is needed.</td>
<td>• Issue is not important to you.</td>
</tr>
<tr>
<td></td>
<td>• Unpopular course of action is implemented.</td>
<td>• Both parties are equally as powerful.</td>
</tr>
<tr>
<td></td>
<td>• Necessary to overcome assertive subordinates.</td>
<td>• Decision does not have to be made quickly.</td>
</tr>
<tr>
<td></td>
<td>• Unfavourable decision by the other party may be costly to you.</td>
<td>• Subordinates possess high degree of competence.</td>
</tr>
<tr>
<td></td>
<td>• Subordinates lack expertise to make technical decisions.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Issue is important to you.</td>
<td></td>
</tr>
</tbody>
</table>
### Conflict Style Situations Where Appropriate Situations Where Inappropriate

**Avoiding**
- Issue is trivial.
- Potential dysfunctional effect of confronting the other party outweighs benefits of resolution.
- Cooling off period is needed.
- Issue is important to you.
- It is your responsibility to make the decision.
- Parties are unwilling to defer; issue must be resolved.
- Prompt attention is needed.

**Compromising**
- Goals of parties are mutually exclusive.
- Parties are equally powerful.
- Consensus cannot be reached.
- Integrating or Dominating style is not successful.
- Temporary solution to a complex problem is needed.
- One party is more powerful.
- Problem is complex enough needing problem-solving approach.

Within this framework are five management approaches: integrating, obliging, dominating, avoiding, and compromising. Integration involves openness; exchanging information, looking for alternatives, and examining differences so solve the problem in a manner that is acceptable to both parties. Obliging is associated with attempting to minimize the differences and highlight the commonalities to satisfy the concern of the other party. When using the dominating style one party goes all out to win his or her objective and, as a result, often ignores the needs and expectations of the other party. When avoiding a party fails to satisfy his or her own concern as well as the concern of the other party. Lastly, compromising involves give-and-take whereby both parties give up something to make a mutually acceptable decision. (Rahim, 2002).

See the table on the right, as a quick reference for when a particular conflict management style is appropriate / inappropriate.

**How to Manage Conflict**

Overall conflict management should aim to minimize affective conflicts at all levels, attain and maintain a moderate amount of substantive conflict, and use the appropriate conflict management strategy—to effectively bring about the first two goals, and also to match the status and concerns of the two parties in conflict (Rahim, 2002).

In order for conflict management strategies to be effective, they should satisfy certain criteria. The below criteria are particularly useful for not only conflict management, but also decision making in management.

**General Suggestions from Rahim's Criteria for Conflict Management**

**Organization Learning and Effectiveness** - In order to attain this objective, conflict management strategies should be designed to enhance critical and innovative thinking to learn the process of diagnosis and intervention in the right problems.
Needs of Stakeholders - Sometimes multiple parties are involved in a conflict in an organization and the challenge of conflict management would be to involve these parties in a problem solving process that will lead to collective learning and organizational effectiveness. Organizations should institutionalize the positions of employee advocate, customer and supplier advocate, as well as environmental and stockholder advocates.

Ethics - A wise leader must behave ethically, and to do so the leader should be open to new information and be willing to change his or her mind. By the same token subordinates and other stakeholders have an ethical duty to speak out against the decisions of supervisors when consequences of these decisions are likely to be serious. “Without an understanding of ethics, conflict cannot be handled” (Batcheldor, 2000).

THE PROCESS OF NEGOTIATION

When addressing a conflict situation that requires negotiation, the negotiator must have a plan and way ahead. One process for preparing for and conducting a negotiating session include:

Step 1 - Preparation and Planning

Do your homework. What is the nature of the conflict? What is the history leading up to this negotiation? Who is involved, and what are their perceptions of the conflict? What do you want from the negotiation? What are your goals?

Prepare an assessment of what you think the other party to your negotiation’s goals are. When you can anticipate your opponent’s position, you are better equipped to counter his or her arguments with the facts and figures that support your position.

Once you have gathered your information, use it to develop a strategy. Determine your and the other side’s Best Alternative to a Negotiated Agreement (BATNA). Your BATNA determines the lowest value acceptable to you for a negotiated agreement. Any offer you receive that is higher than your BATNA is better than an impasse.

Step 2 - Defining the Ground Rules

You must establish ground rules before the negotiation will begin. The ground rules must answer the following questions:

1. Who will do the negotiating?
2. Where will it take place?
3. What time constraints, if any, will apply?
4. To what issues will negotiation be limited?
5. Will there be a specific procedure to follow if an impasse is reached?

During this phase, the parties will also exchange their initial proposals or demands.
Step 3 - Clarification and Justification

At the beginning of the session members must exchange, explain, amplify, clarify, bolster, and justify each participants’ original demands. This need not be confrontational and the negotiator must maintain control of the session. At the beginning of the negotiation the negotiator should require each party to provide the other side with any documentation that helps support their negotiating position.

Step 4 - Bargaining and Problem Solving

The essence of the negotiation process is the actual give and take in trying to hash out an agreement. Concessions will undoubtedly need to be made by both parties.

Step 5 - Closure and Implementation

The final step is formalizing the agreement that has been worked out and developing any procedures that are necessary for implementation and monitoring. Major negotiations may require hammering out the specifics in a formal contract. For most cases, however, closure of the negotiation process is nothing more than formal handshake.

SUMMARY

Do not avoid the conflict, hoping it will go away. Ask the participants to describe specific actions they would like the other party to take. It would also be beneficial to have a third party (meaning a non-direct superior with access to the situation) involved. This could be an individual member or a board dedicated to resolving and preventing issues. Lastly, do not meet separately with people in conflict. If you allow each individual to tell their story to you, you risk polarizing their positions.
UNIT THREE – SUMMARY

ASSIGNMENTS AND ACTIVITIES

Before proceeding you should complete Assignment Three and submit to your instructor for review, feedback and grading. Below is a repeat of the assignment instructions.

Assignment Three – Group Behaviour

This is a practical assignment. You will be required to observe and analyze the behaviour of a group you are familiar with. This group can be associated with: your workplace; your church; an organization you volunteer in; your school or institution; or any other group that you instructor deems appropriate. The group should have a specific project or major activity they are working on.

Once you have selected a group observe it for at least eight hours. You may need to do this over several sessions if it is a group like a church committee or a Boy Scout troop that only meets occasionally. Consider the literature you have read and the ideas presented in this unit. As you observe the group explore and report on the following:

1. Does the group have established goals and objectives?
2. What type of group behaviours does the group exhibit?
3. How does the group communicate?
4. Is there one or two people in the group that seem to be the unofficial leaders?
5. What type of decision making process do they employ?
6. How does the group handle conflict/disagreements?
7. How does the group behaviour differ from you own personal behaviour?

The paper should be between five and ten pages double spaced. Your observations should be supported by references from the literature or the course readings. Once you have completed your report you should submit it to your instructor for feedback.

SUMMARY

In this unit you explored the importance of observing and correctly responding to group behaviour. You learned about the importance of teams and the different roles they can perform. You explored the importance of group communications and how to identify and resolve conflict in the workplace. These skills are important to any person who wishes to manage and grow a successful business. Group dynamics

NEXT STEPS

So far we have explored individual and group behaviour. Individuals and groups work in specific structures. The next and final unit will explore the organizational structure and its impact on the workforce.
UNIT FOUR – ORGANIZATIONAL DEVELOPMENT

INTRODUCTION

Today's organizations operate in a rapidly changing environment. Consequently, one of the most important assets for an organization is the ability to manage change -- and for people to remain healthy and authentic. Before we can change an organization we must understand its structure and the implications of change will be on the work that needs to be performed, the culture and organizational structure. This unit will explore different aspects of organizational development and organizational change.

OBJECTIVES

Upon completion of this unit you should be able to:

1. Describe different ways to structure an organization.
2. Identify the work to be completed and how it impacts job design.
3. Explore an organization’s culture.
4. Employ an organizational change model.

READINGS

As you complete this unit you are required to read the following chapters/articles:

  o Read the following lessons:
    ▪ Lesson 30 – Foundations of Organizational Structure.
    ▪ Lesson 31 – Organizational Design.
    ▪ Lesson 32 – Work Design and Technology.
    ▪ Lesson 36 – Organizational Culture.
    ▪ Lesson 37 – Organizational Change.
    ▪ Lesson 38 – Change Management.
    ▪ Lesson 39 – Organizational Development.
    ▪ Lesson 40 – Stress and Managing Stress.
  o Read the following chapters:
    ▪ Chapter 10 – Culture, Creativity and Innovation.
    ▪ Chapter 11 – Designing Effective Organizations.
    ▪ Chapter 12 – Managing Organizational Change and Development.
ASSIGNMENTS AND ACTIVITIES

This is the fourth and final assignment in the course. You will be required to complete an organizational development study and change management plan. The study should describe the following:

1. The organization’s purpose and structure.
2. The organization’s business goals.
3. The types of jobs that support the work of the organization.
4. The effectiveness of the work flow and job design to meet organizational business goals.
5. The culture of the organization.
6. Changes required in the organization.
7. The impact of change on the workforce.
8. The change management approach.
9. Strategies to be used to manage the change management effort.

Produce a double spaced fifteen page paper with references to support your observations and recommendations. Submit the final paper to your instructor for review, feedback and grading.
TOPIC 4.1 - ORGANIZATION STRUCTURE

INTRODUCTION
An organization is a goal directed social entity with deliberate process and systems. In other words, an organization is a collection of people working together to accomplish a common goal. Top management determines what that goals and sets the strategic direction for the organization by defining its purpose, establishing goals to meet that purpose, and formulating strategies to achieve the goals. The definition of its purpose gives the organization reason to exist, in effect, it answers what business are they in. This topic will explore the structure of organizations.

OBJECTIVES
Upon completion of this topic you will be able to:

1. Describe different organizational structures.
2. Explain the characteristic of a formal structure.

ORGANIZATION STRUCTURE
An organizational structure defines the form and function of the organization’s activities. It parallels the workflow to produce the products or deliver the services. It also defines how the different parts of an organization fit together as it is evident from an organizational chart. The organizational structure also reflects the formal framework by which job tasks are divided, grouped, and co-ordinated.

A formal organizational structure helps define the management structure and coordinate the actions of employees to achieve organizational goals. It is the framework by which people can accomplish more by working together than they do separately. The work must be coordinated if the potential gains of collective effort are to be realized.

As illustrated below most organizations have six common characteristics.

Characteristics of an Organization

Now let’s explore each characteristic.
Formalization

Formalization refers to the degree to which jobs within the organization are standardized and the extent to which employee behaviour is guided by rules and procedures. If a job is highly formalized, then the person doing that job has a minimum amount of discretion over what is to be done, when it’s to be done, and how he or she could do it. Employees can be expected to handle the same input in exactly the same way, resulting in consistent and uniform output. In organizations with high formalization, there are explicit job descriptions, numerous organizational rules, and clearly defined procedures covering work processes. Where formalization is low, job behaviours are relatively unstructured and employees have a great deal of freedom in how they do their work. Because an individual’s discretion on the job is inversely related to the amount of behaviour in that job that is preprogrammed by the organization, the greater the standardization, the less input the employee has into how work is done. Standardization not only eliminates the possibility that employees will engage in alternative behaviours, it even removes the need for employees to consider alternatives.

The degree of formalization can vary widely between organizations and even within organizations. For instance, at a newspaper publisher, news reporters often have a great deal of discretion in their jobs.

They may pick their news topic, find their own stories, research them the way they want, and write them up, usually within minimal guidelines. On the other hand, the compositors and typesetters who lay out the newspaper pages don’t have that type of freedom. They have constraints—both time and space—that standardize how they do their work.

Span of Control

How many employees can a manager efficiently and effectively manage? This question of span of control is important because, to a large degree, it determines the number of levels and managers an organization has. All things being equal, the wider the span of control the more efficient the organization. An example can show why.

Assume that we have two organizations, both of which have approximately 4,100 employees. If the average manager made $42,000 a year, the organization with the wider span would save over $33 million a year in management salaries alone! Obviously, wider spans are more efficient in terms of cost.

However, at some point, wider spans of control reduce effectiveness. That is, when the span becomes too large, employee performance suffers because managers no longer have the time to provide the necessary leadership and support. The contemporary view of span of control recognizes that many factors influence the appropriate number of employees that a manager can efficiently and effectively manage. These factors encompass the skills and abilities of the manager and the employees and characteristics of the work being done. For instance, the more training and experience employees have, the less direct supervision
they'll need. Therefore, managers with well-trained and experienced employees can function quite well with a wider span.

Span of control or span of management is a dimension of organizational design measured by the number of subordinates that report directly to a given manager. This concept affects organization design in a variety of ways, including speed of communication flow, employee motivation, reporting relationships, and administrative overhead. Span of management has been part of the historical discussion regarding the most appropriate design and structure of organizations.

A small, or narrow, span of control results in each manager supervising a small number of employees, while a wide span of management occurs when more subordinates report directly to a given manager. A small span of management would make it necessary to have more managers and more layers of management to oversee the same number of operative employees than would be necessary for an organization using a wider span of management. The narrower span of management would result in more layers of management and slower communications between lower level employees and top level managers of the firm. Recent moves to downsize organizations and to eliminate unnecessary positions has resulted in many organizations moving to wider spans of management and the elimination of layers of middle-level managers.

Centralization and Decentralization

Centralization is the concentration of authority and responsibility for decision making into few senior managers at the top of an organization’s hierarchy (the degree to which decision making is concentrated at a single point in the organization)

Decentralization is the distribution of authority and responsibility for decision making to managers at all levels of an organization’s hierarchy (decision discretion is pushed down to lower-level employees).

Both forms of control have advantages and disadvantages.

<table>
<thead>
<tr>
<th>CENTRALIZATION</th>
<th>DECENTRALIZATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environment is stable</td>
<td>Environment is complex and uncertain</td>
</tr>
<tr>
<td>Lower level managers are not as capable or</td>
<td>Lower level managers are capable and experienced at</td>
</tr>
<tr>
<td>experienced at making decisions as upper</td>
<td>making decisions.</td>
</tr>
<tr>
<td>level managers</td>
<td></td>
</tr>
<tr>
<td>Lower level managers do not want to have a say in</td>
<td>Lower level managers want a say in decision making.</td>
</tr>
<tr>
<td>making decisions.</td>
<td></td>
</tr>
<tr>
<td>Decisions are significant.</td>
<td>Decisions are relatively minor.</td>
</tr>
<tr>
<td>Company is large.</td>
<td>Company is geographically dispersed.</td>
</tr>
<tr>
<td>Effective implementation of strategies depends on</td>
<td>Effective implementation of strategies depends on</td>
</tr>
<tr>
<td>managers retaining say over what happens.</td>
<td>managers having involvement and flexibility to make</td>
</tr>
<tr>
<td></td>
<td>decisions.</td>
</tr>
</tbody>
</table>
Chain of Command

A chain of command, sometimes called the scalar chain, is the formal line of authority, communication, and responsibility within an organization. The chain of command is usually depicted on an organizational chart, which identifies the superior and subordinate relationships in the organizational structure. According to classical organization theory, the organizational chart allows one to visualize the lines of authority and communication within an organizational structure and ensures clear assignment of duties and responsibilities. By utilizing the chain of command, and its visible authority relationships, the principle of unity of command is maintained. Unity of command means that each subordinate reports to one and only one superior.

Organizational Structures

Organizations can be divided into two types: Mechanistic and Organic. The table below describes the characteristics of each type.

<table>
<thead>
<tr>
<th>Mechanistic Structures</th>
<th>Organic Structures</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Division of Labour</td>
<td>• Cross-Functional Teams</td>
</tr>
<tr>
<td>• Horizontal/Vertical Differentiation</td>
<td>• Personal/Spatial Differentiation</td>
</tr>
<tr>
<td>• Clear Chain of Command</td>
<td>• Multiple Chains of Command</td>
</tr>
<tr>
<td>• Narrow Span of Control</td>
<td>• Wide Spans of Control</td>
</tr>
<tr>
<td>• Relatively Centralized</td>
<td>• Relatively Decentralized</td>
</tr>
<tr>
<td>• Direct Supervision</td>
<td>• Self-Managed</td>
</tr>
</tbody>
</table>

Every effective organization has an identifiable structure based on the characteristics described above. Other factors that impact an organizational structure includes:

- Size of the company.
- The type and variety of products and/or services provided by the company.
- The need for specialization to build the products or provide the services.
- The geographic dispersion of the organization.
- The management style within the company.
- The need for communications.

Types of Organizational Structures
There are a number of different ways to structure new or existing organizations. The four most common methods include: Functional, Divisional, Matrix, Virtual or some combination of the four. Let’s examine how a potential distance education business may structure its company.

**Functional Structure** – organizes the departments based on the work that they actually perform. Each department manager has specific responsibilities to perform that represent a small part of the business. Each manager must collaborate with other departments to produce the products or services manufactured by the company. In functional organizations management is hierarchical and most of the key decisions are made by the senior managers. Budgets are centrally controlled and work is usually allocated to each department based on an annual work plan or sales projection.

**Divisional Structure** – ensures that each work unit has all of the necessary resources, budget and personnel required to produce the product or provide the services they are mandated to create. They often work as independent units that do not need the support of others within the company. In a divisional set-up the managers of each division often have their own budget, their own marketing targets and their own work processes. They are measured based on the success of achieving their annual business goals. Each division services a specific market sector or concentrates on the provision of a line of products or services.
Matrix Structure – is a mix of a functional organization and project teams or business teams that are formed at different times of the year to complete specific tasks. Department managers are responsible for hiring, training, professional development and work assignments of their department employees. When assigned to a matrix team, the project manager oversees the day to day work of each team member supporting his or her project. Once the work has been completed by the team member the employee returns to his or her department for additional tasks or assignments.

Virtual Structure – With the universal availability of the Internet and the globalization of work more and more organizations are structuring themselves as a virtual entity. This may require the creation of one of the more traditional business structures described above, but the work is completed by employees or contractors who are not physically working in the same location. This type of structure requires effective online project management, work flow, communications and a well-defined reporting infrastructure. In addition teleworkers require online tools and an online collaborative work environment to produce the products or deliver the services to the clients. This approach is being used more and more by distance education companies who use a variety of telecommuniting techniques and employ a mix of full-time employees and part-time contractors. But even in a virtual structure there may be a need for some form of physical location in which the administrative and support services are provided to the virtual employees/contractors and their clients.
One or more of these structuring options can be used to establish a distance education business. As the business grows there may be a need to modify the structure and embrace a different organizational model that reflects the size and growth of the company. For example a DE consulting company may start out as a virtual matrix company with different expertise provided by different consultants geographically dispersed. But as the consulting grows they may find that the need to concentrate on specific industry sectors such as higher education, the military and K to 12. Since each of these industry sectors have unique needs the board of directors may decide to re-engineer the company into separate divisions with their own budgets and their consulting pool.

**SUMMARY**

An organizational structure must be tailored in a way that ensures the business goals can be met. As an organization matures it may be necessary to modify the organizational structure. It may even require the senior management team to embrace multiple organizational methods. For example a company that grows from a single corporate site to an organization with multiple work locations across the country may want to embrace both a matrix structure and a virtual structure. Success of your business requires that you structure be flexible so that you can meet the needs of your current and future customers and supports higher productivity and product quality.
TOPIC 4.2 – WORKPLACE AND JOB DESIGN

INTRODUCTION
Job design is the process by which managers plan and specify job tasks and the work arrangements through which they are accomplished. Workplace design embraces the idea of creating a non-threatening, comfortable and humanizing work environment in which to do the job.

OBJECTIVES
Upon completion of this topic you will be able to:

1. Describe the characteristics of good job design.
2. Employ job design criteria to create effective jobs that will support employee satisfaction.
3. Employ a job design process to create a unit of work.
4. Explore the factors of effective work design, including job rotation, job enrichment and physical workplace design.

WORKPLACE AND JOB DESIGN
Job design and workplace design are often used interchangeably because both contribute to keep the physical and mental requirements of a job reasonable.

Job design refers to administrative changes that can help improve working conditions.

In comparison, workplace design concentrates on dealing with the workstation, the tools, and the body position that all influence the way a person does his or her work. Good workplace design reduces static positions, repetitive motions and awkward body positions.

FEATURES OF GOOD JOB DESIGN
Good job design accommodates employees' mental and physical characteristics by paying attention to:

- muscular energy such as work/rest schedules or pace of work, and
- mental energy such as boring versus extremely difficult tasks.

Good job design:

- Allows for employee input. Employees should have the option to vary activities according to personal needs, work habits, and the circumstances in the workplace.
- Gives employees a sense of accomplishment.
- Includes training so employees know what tasks to do and how to do them properly.
- Provides good work/rest schedules.
- Allows for an adjustment period for physically demanding jobs.
- Provides feedback to the employees about their performance.
• Minimizes energy expenditure and force requirements.
• Balances static and dynamic work.

Job design is an ongoing process. The goal is to make adjustments as conditions or tasks change within the workplace.

**JOB DESIGN STRATEGIES**

Effective job and workplace design involves work practices that determine what the employee does, for how long, where, and when as well as giving the employees the choice where ever possible. In job design, you may choose to examine the various tasks of an individual job or the design of a group of jobs. Job design strategies include:

Job Enlargement: Job enlargement changes the jobs to include more and/or different tasks. Job enlargement should add interest to the work but may or may not give employees more responsibility.

1. **Job Rotation:** Job rotation moves employees from one task to another. It distributes the group tasks among a number of employees.

2. **Job Enrichment:** Job enrichment allows employees to assume more responsibility, accountability, and independence when learning new tasks or to allow for greater participation and new opportunities.

3. **Work Design (Job Engineering):** Work design allows employees to see how the work methods, layout and handling procedures link together as well as the interaction between people and machines.

**JOB DESIGN CRITERIA**

When designing a job or a workplace environment, managers should consider the following criteria.

**Task Variety**

To alleviate boredom, avoid both excessive static body positions and repetitive movements. Design jobs to have a variety of tasks that require changes in body position, muscles used, and mental activities.

Two methods are job enlargement and job rotation. For example, if an employee normally assembles parts, the job may be enlarged to include new tasks such as work planning, inspection / quality control, or maintenance. Alternatively, the tasks may include working in the same department, but changing tasks every hour. For example, in a laundry facility employees can rotate between various stations (sorting, washer, dryer, iron, etc) as long as it provides for a change in physical or mental expenditure.
**Work Breaks / Rest Breaks**

Rest breaks help alleviate the problems of unavoidable repetitive movements or static body positions. More frequent but shorter breaks (sometimes called "micro breaks") are sometimes preferable to fewer long breaks.

During rest breaks, encourage employees to change body position and to exercise. It is important that employees stretch and use different muscle groups. If the employee has been very active, a rest break should include a stationary activity or stretching.

**Allowance for an Adjustment Period**

When work demands physical effort, have an adjustment period for new employees and for all employees after holidays, layoffs, or illnesses. Allow time to become accustomed to the physical demands of work by gradually "getting in shape." Employees who work in extreme hot or cold conditions also need time to acclimatize.

**Provide Training**

Training in correct work procedures and equipment operation is needed so that employees understand what is expected of them and how to work safely. Training should be organized, consistent and ongoing. It may occur in a classroom or on the job.

**Vary Mental Activities**

Tasks should be coordinated so that they are balanced during the day for the individual employee as well as balanced among a group of employees. You may want to allow the employee some degree of choice as to what types of mental tasks they want to do and when. This choice will allow the employee to do tasks when best suited to their 'alertness' patterns during the day. Some people may prefer routine tasks in the morning (such as checklists or filling in forms) and save tasks such as problem solving until the afternoon, or vice versa.

**JOB DESIGN PROCESS**

Since most tasks are not done in isolation, job design is very often used for a group of employees. In some cases, teams can be created that have an overall responsibility for larger task or set of tasks. It is up to the team to decide how the job will be accomplished, which individual will do what tasks, and when. In most cases, team members will have many skills which allow them to change jobs from time to time. As with job design for individuals, additional opportunities such as inspection / quality control, maintenance, and related tasks such as ordering supplies are often assigned to the team in addition to their regular tasks.

What steps should I take when carrying out a job design project? Although there are many ways to carry out job design, the following stages are essential:
Step 1 - Do an assessment of current work practices.

Is job design needed or feasible? Discuss the process with the employees and supervisors involved and be clear about the process, or any changes or training that will be involved.

Step 2 – Complete a job task analysis.

Examine the job and determine exactly what the tasks are. Consider what equipment and workstation features are important for completing the tasks. Identify problem areas.

Step 3 - Design the job.

Identify the methods for doing the work, work/rest schedules, training requirements, equipment needed and workplace changes. Coordinate the different tasks so each one varies mental activities and body position. Be careful not to under or overload the job. Ensure that appropriate tools and equipment are available to accomplish the new job. Evaluate the work environment and determine what needs to be changed to suit the new job requirements and to support the personnel doing the job.

Step 4 - Implement the new job design gradually.

You may want to start on a small scale or with a pilot project. Train employees in the new procedures and use of equipment. Allow for an adjustment period and time to gain experience with the new job design.

Step 5 - Re-evaluate job design on a continual basis.

Make any necessary adjustments.

You may also want to establish a committee to represent the various groups involved. Job design should involve employees, unions, the health and safety committee and managers during the entire process. Participation of all parties increases communication and understanding.

Be clear that purpose of the job design is to strengthen the operations and its workforce, not to eliminate jobs or sets of skills.

Effective Work Design

The way in which a person’s job tasks are organized can have a direct impact on his/her mental and physical health, as well as on job performance. The tasks and the manner in which a job is organized can either complement good physical work station design or detract from it. For example, ergonomically designed workstations will not eliminate all problems for individuals who perform repetitive work for 8 hours a day, day after day. Generally, health complaints can be significantly reduced if individuals are given a variety of tasks, as well as some control over their work. Rearranging activities can help alleviate fatigue and/or boredom.
Jobs where employees experience a high level of job satisfaction generally have at least one or more of the following characteristics:

1. **Task Variety** - The ability to vary the tasks performed and to move about at various times during the day. This variation provides a change in mental activity as well as physical well-being through movement and changes in body postures.

2. **Task Identity** - Where possible, tasks should fit together to make a complete job since this gives the employee a sense of doing a whole job from beginning to end with a visible output.

3. **Task Significance** - People like to feel that they have achieved something meaningful during his/her working day. It is important for them to see the importance of the tasks that are performed and how completion of these tasks contributes to the organization.

4. **Autonomy** - Where possible, employees should have input as to how their jobs are done, the order of tasks, the speed of work, etc. Where possible, employees should have the opportunity to participate in decisions which affect them.

5. **Feedback** - The supervisor should provide constructive feedback regarding employee performance.

**JOB ROTATION**

Job rotation is a management technique that assigns trainees to various jobs and departments over a period of a few years. Surveys show that an increasing number of companies are using job rotation to train employees. There are both positive and negative effects involved with job rotation that need to be taken into consideration when a company makes the decision to utilize this technique.

There are different reasons a company may choose to utilize job rotation such as using job rotation as a learning mechanism. Research suggests that there are significant benefits that may outweigh the costs involved with training employees for diversified positions. As a learning mechanism, employees are given the opportunity to learn necessary skills which can help them to advance within a company. This employment opportunity also has the effect of boosting morale and self-efficacy. The company may benefit from using job rotation by having the ability to staff key positions within a company. This practice may allow a company to run more efficiently, and as a result, become more productive and profitable.

Job rotation can also be used to alleviate the physical and mental stresses endured by employees when working the same position, year after year. By allowing employees to rotate to other positions, the risk factors for some types of musculoskeletal disorders may
be reduced. Job Rotation is also believed to have the ability to decrease the amount of boredom and monotony experienced by employees who work the same position for extended periods of time.

There are some negative attributes associated with job rotation. Firstly, some positions within a company may not be eligible for rotation. There may be positions within a company that may be specialized due to technology or may require highly skilled workers. These positions may not fit the profile for rotation opportunities because of the costs involved to train the workers. Another problem faced by companies is that some employ unionized workers that may be resistant to job rotation due to standard union practices. Furthermore, one other problem faced by companies is the possibility of having to pay incentives to workers for cooperation with the job rotation implementation which can lead to wage inequality. Finally, the utilization of Job Rotation may have the effect of reducing a workforce because of the cross-training involved; a company may not need to hire additional staff to cover positions and may possibly layoff current employees no longer considered necessary.

**JOB ENRICHMENT**

Job enrichment is an attempt to motivate employees by giving them the opportunity to use the range of their abilities. An enriched job should ideally contain:

- A range of tasks and challenges of varying difficulties (Physical or Mental)
- A complete unit of work - a meaningful task
- Feedback, encouragement and communication

When considering the implementation of a job enrichment programme, managers should consider the following three steps.

**Step 1 - Turn employees’ effort into performance.**

- Ensuring that objectives are well-defined and understood by everyone. The overall corporate mission statement should be communicated to all. Individual's goals should also be clear. Each employee should know exactly how he/she fits into the overall process and be aware of how important their contributions are to the organization and its customers.
- Providing adequate resources for each employee to perform well. This includes support functions like information technology, communication technology, and personnel training and development.
- Creating a supportive corporate culture. This includes peer support networks, supportive management, and removing elements that foster mistrust and politicking.
- Free flow of information. Eliminate secrecy.
• Provide enough freedom to facilitate job excellence. Encourage and reward employee initiative. Flextime or compressed hours could be offered.
• Provide adequate recognition, appreciation, and other motivators.
• Provide skill improvement opportunities. This could include paid education at universities or on the job training.
• Provide job variety. This can be done by job sharing or job rotation programmes.

It may be necessary to re-engineer the job process. This could involve redesigning the physical facility, redesign processes, change technologies, simplification of procedures, elimination of repetitiveness, redesigning authority structures.

**Step 2 - Link employees' performance directly to reward.**

• Clear definition of the reward is a must.
• Explanation of the link between performance and reward is important.
• Make sure the employee gets the right reward if performs well.
• If reward is not given, explanation is needed.

**Step 3 - Make sure the employee wants the reward. How to find out?**

• Ask them directly what they want.
• Use workplace surveys.

**WORKPLACE DESIGN**

People spend much of their waking time in their workplaces (approximately 33% on a weekly basis), which raises the possibility that the conditions they experience at work influence their health and well-being. Existing knowledge proposes that workplace design can influence mental health via the effects of light exposure on circadian regulation, social behaviour and affect; the effects of aesthetic judgement on at-work mood and physical well-being and at-home sleep quality; access to nature and recovery from stressful experiences; and privacy regulation and stimulus control.

Planning for an office involves many details including these key concerns: Spatial Design and Layout; Electrical Requirements; Lighting; and Ergonomics. Let's examine each one.

**Spatial Design and Layout**

How you use your space is critical in determining how to structure the layout of your office. When setting up your office consider these issues:

• Establish primary and secondary work areas for these tasks. Paper work; Computer Activities; and Projects.
• Plan for accessible file systems. Action files; Administrative files; Client files; Project files; and Reference files.
• Allocate space for storage of office supplies. Utilities: pens and pencils; staples; tape; paper clips; rubber bands; etc.; Marketing materials: letterhead; envelopes; company literature; Printer supplies; Copier supplies.

Electrical Requirements:

Plan for these electrical needs:

• Outlets including: Answering Machines; Back-Up Drives; Computers; Monitors; Printers; Scanners; Copiers; Electric Pencil Sharpeners; External DVD drives; External Hard Drives; External Routers; Fans; Fax Machines; Floor and Desk Lighting: and other electrical devices.
• Uninterrupted Power Supply (UPS) Systems.
• Telephone Switching System.
• Dedicated Data Line.
• Computer Servers.

Lighting:

Lighting is critical. Consider these three key sources:

• Ambient light (overhead).
• Task light (on work stations and desks).
• Natural light (sunlight/moonlight).

Ergonomics:

Ergonomics is the science that seeks to adapt work or working conditions to suit the worker; the study of the problems of people adjusting to their environment. Ergonomics is a key component when planning any office. With the rise of work related injuries involved directly from office layout, this topic is becoming more of a critical factor than ever before as technological advances expand.

Following is a list of considerations that can be addressed when establishing a work-station or area for employees.

• The eyes need to be approximately 24 - 36 inches away from the screen, where the neck is bent within a 15 degree angle, up or down. The top of the screen should be just below the eye level.
• The back and shoulders need to be relaxed and in a natural position, with the worker sitting firmly against the back of their chair.
• Elbows need to rest comfortably on arm rests, yet closely to the sides of the body, in a 90 degree angle. Wrists need to extend from the arms at this angle as well. Fingers are slightly curved upward, where the keying motion is gentle and comfortable.
• Knees need to also be at a 90 degree angle with the feet securely on the floor or a footrest.

**SUMMARY**
Effective work and job design will ensure employee satisfaction, safety and health. A properly designed job will contribute to the effectiveness of the organization.
TOPIC 4.3 - ORGANIZATIONAL CULTURE

INTRODUCTION
Organizational culture is the collection of values and norms that are shared by people and groups in an organization and that control the way they interact with each other and with stakeholders outside the organization.

OBJECTIVES
Upon completion of this topic you will be able to:

1. Define organizational culture.
2. Explain the factors that contribute to organizational culture.
3. Identify the characteristics of an organizational culture.
4. Describe an organization’s cultural climate.
5. Assess an organization’s culture.

WHAT IS ORGANIZATIONAL CULTURE?
Culture is just one entity that adds to the organization as a whole. Culture can be manipulated and altered depending on leadership and members. Organizational culture is represented through symbols, communications, rituals, values and through the actions of its employees and leaders. Organizational culture is viewed differently by each member of the organization based on their own culture, values and experiences.

Organizational culture will vary from organization to organization but is impacted by the following factors and elements:

- **The Paradigm**: What the organization is about; what it does; its mission; its values.
- **Control Systems**: The processes in place to monitor what is going on. Role cultures would have vast rulebooks. There would be more reliance on individualism in a power culture.
- **Organizational Structures**: Reporting lines, hierarchies, and the way that work flows through the business.
- **Power Structures**: Who makes the decisions, how widely spread is power, and on what is power based?
- **Symbols**: These include organizational logos and designs, but also extend to symbols of power such as parking spaces and executive washrooms.
- **Rituals and Routines**: Management meetings, board reports and so on may become more habitual than necessary.
- **Stories and Myths**: build up about people and events, and convey a message about what is valued within the organization

Organizational culture serves an important function in any business or workplace. Organizational culture can perform one or more of the following functions.
• Boundary-defining role.
• Conveys a sense of identity for members.
• Facilitates the generation of commitment.
• Enhances the stability of the social system.
• Culture serves as a sense-making and control mechanism; guides and shapes attitudes and behaviour of employees.
• Today’s trend toward decentralized organizations makes culture more important than ever, but ironically it also makes establishing a strong culture more difficult.
• When formal authority and control systems are reduced, culture’s shared meaning points everyone in the same direction.
• Employees organized in teams may show greater allegiance to their team and its values than to the values of the organization as a whole.
• In virtual organizations, the lack of frequent face-to-face contact makes establishing a common set of norms very difficult.
• Strong leadership that communicates frequently about common goals and priorities is especially important in innovative organizations.
• Individual—organization “fit”—that is, whether the applicant’s or employee’s attitudes and behaviour are compatible with the culture—strongly influences who gets a job offer, a favorable performance review, or a promotion.

IDENTIFYING STRONG AND WEAK CULTURES

Strong cultures exist where staff respond to stimulus because of their alignment to organizational values. In such environments, strong cultures help firms operate like well-oiled machines, cruising along with outstanding execution and perhaps minor tweaking of existing procedures here and there.

Conversely, weak cultures occur when there is little alignment with organizational values and control must be exercised through extensive procedures and bureaucracy.

Research shows that organizations that foster strong cultures have clear values that give employees a reason to embrace the culture. A "strong" culture may be especially beneficial to firms operating in the service sector since members of these organizations are responsible for delivering the service and for evaluations important constituents make about firms. Research indicates that organizations may derive the following benefits from developing strong and productive cultures:

• Better aligning the company towards achieving its vision, mission, and goals
• High employee motivation and loyalty
• Increased team cohesiveness among the company’s various departments and divisions
• Promoting consistency and encouraging coordination and control within the company
• Shaping employee behavior at work, enabling the organization to be more efficient

Where culture is strong, people do things because they believe it is the right thing to do, and there is a risk of another phenomenon known as groupthink. Groupthink was described by Irving L. Janis as "a quick and easy way to refer to a mode of thinking that people engage when they are deeply involved in a cohesive in-group, when members' strive for unanimity override their motivation to realistically appraise alternatives of action." This is a state in which even if they have different ideas, do not challenge organizational thinking, and therefore there is a reduced capacity for innovative thoughts. This could occur, for example, where there is heavy reliance on a central charismatic figure in the organization, or where there is an evangelical belief in the organization' values, or also in groups where a friendly climate is at the base of their identity (avoidance of conflict). In fact, groupthink is very common and happens all the time, in almost every group. Members that are defiant are often turned down or seen as a negative influence by the rest of the group.

CHARACTERISTICS OF ORGANIZATIONAL CULTURE

The unique 'behaviour' of an organization can be attributed to the makeup of the values that it espouses - the organizational culture. Let us understand the primary characteristics of organizational culture that help shape up the organization's 'personality'.

These are very general characteristics that every organization would have to look into, otherwise the culture would seem incomplete. Although all these characteristics are at some level a part of every company, the importance and individual interpretation of each differs from business to business, thus making each business unique in its own way. There are seven characteristics of organizational culture. They are listed below.

1. **Innovation and Risk Taking**: Risk and returns go hand in hand. Places where you take a risk (calculated risk of course!), the chances of returns are higher. Same goes for innovation. You could either be a follower or a pioneer. Pioneering has its share of risks, but at times it can also have a breakthrough outcome for the organization. Thus, innovation and risk taking is one of the main characteristics of organizational culture defining how much room the business allows for innovation.

2. **Attention to Detail**: Attention to detail defines how much importance a company allots to precision and detail in the workplace. This is also a universal value as the degree of attention the employees are expected to give is crucial to the success of any business. The management defines the degree of attention to be given to details.

3. **Outcome Orientation**: Some organizations pay more attention to results rather than processes. It is really the business model of each business that defines
whether the focus should be on the outcome or the processes. This defines the outcome orientation of the business.

4. **People Orientation:** This is still one of the most contentious issues in organizational culture today. How much should the management focus on the people? Some organizations are famous for being employee oriented as they focus more on creating a better work environment for its 'associates' to work in. Others still are feudal in nature, treating employees no better than work-machines.

5. **Team Orientation:** It is a well-established fact today that synergistic teams help give better results as compared to individual efforts. Each organization makes its efforts to create teams that will have complementary skills and will effectively work together.

6. **Aggressiveness:** Every organization also lays down the level of aggressiveness with which their employees work. Some businesses like Microsoft are known for their aggression and market dominating strategies.

7. **Stability:** While some organizations believe that constant change and innovation is the key to their growth, others are more focused on making themselves and their operations stable. The managements of these organizations are looking at ensuring stability of the company rather than looking at indiscriminate growth.

**Do Organizations Have Uniform Cultures?**

Most organizations have a dominant culture and numerous sets of subcultures. Dominant culture expresses the core values that are shared by a majority of the organization’s members. Subcultures tend to develop in large organizations to reflect common problems, situations, or experiences that members face.

**Organizational Climate**

Organizational climate refers to the shared perceptions organizational members have about their organization and work environment. This aspect of culture is like team spirit at the organizational level. When everyone has the same general feelings about what’s important or how well things are working, the effect of these attitudes will be more than the sum of the individual parts.

The same appears true for organizations. One meta-analysis found that across dozens of different samples, psychological climate was strongly related to individuals’ level of job satisfaction, involvement, commitment, and motivation.
A positive overall workplace climate has been linked to higher customer satisfaction and financial performance. Dozens of dimensions of climate have been studied, including safety, justice, diversity, and customer service, to name a few.

A person who encounters a positive climate for performance will think about doing a good job more often and will believe others support his or her success. Someone who encounters a positive climate for diversity will feel more comfortable collaborating with coworkers regardless of their demographic background.

Climate also influences the habits people adopt. If the climate for safety is positive, everyone wears safety gear and follows safety procedures even if individually they wouldn’t normally think very often about being safe.

**INSTITUTIONALIZATION**
When an organization undergoes institutionalization and becomes *institutionalized*—that is, it is valued for itself and not for the goods or services it produces—it takes on a life of its own, apart from its founders or members. It doesn’t go out of business even if its original goals are no longer relevant.

Acceptable modes of behaviour become largely self-evident to members, and although this isn’t entirely negative, it does mean behaviours and habits that should be questioned and analyzed become taken for granted, which can stifle innovation and make maintaining the organization’s culture an end in itself.

**HOW TO CREATE A HIGH PERFORMANCE CULTURE**
There are seven steps toward creating a high-performance organizational culture. From defining what “high performance” means to you to developing metrics to assess whether you’ve achieved your ultimate goals, these steps will help you effectively leverage your number-one asset: your people.

1. **Define High-Performance Culture**

   Before beginning the process of creating a high-performance organization, it’s important to answer this critical question: Where do you want to go? Action plans must align with strategic plans, and including others in this process increases employee engagement. Tools that can be helpful at this stage include strategic planning, identifying leadership competencies, defining the culture that will support a high-performance organization, and creating mission, vision, and values statements.

2. **Identify Gaps Between Current and Desired Culture**

   Once the destination has been identified, it becomes important to ask: Where are you now? Are you doing as well as you could be? This may involve benchmarking work or analyzing whether you’re using best practices. There may be some areas where your
organization is functioning well and others where there are significant gaps. Tools that can be helpful at this stage include gap analysis, organizational culture assessments, benchmarking, talent audits, technology assessments, and process improvement.

3. Select, Develop, and Retain the Best People

Organizations are increasingly recognizing that having strong people is a key success factor for creating a high-performing organization. Now the question becomes: Who is going to get you where you want to go? Building a leadership pipeline that increases the bench strength of talent throughout the organization is a common success characteristic among high-performing organizations. Tools that can be helpful at this stage include personnel selection (assessment and interviewing), leadership development (training and coaching), retention programs (keeping top talent), and succession planning.

4. Create and Modify Processes to Support the Culture

Will your current processes get you where you want to go? Developing and implementing best-in-class processes or modifying existing processes and work procedures can increase efficiencies, increase productivity, and improve profit margins. Effectively leveraging technology also contributes to building high-performance organizations. Tools that can be helpful at this stage include process improvement innovations, implementing lean principles, and applying technology solutions.

5. Communicate Effectively at All Levels

Effective communication plans begin at the top but must provide local examples to people in the trenches. To fully engage employees, it’s important to be able to answer the following question: What is it that you want them to do differently? This question is best addressed at the local level by managers and supervisors. One tool that can be helpful at this stage includes developing a detailed communication plan to roll out to the organization, creating an opportunity for dialogue among the workforce.

6. Design and Align Reward Systems

How do you keep people on track? Measuring individual performance as it relates to organizational goals is an important step in aligning behavior, processes, and strategy. In creating performance management systems, emphasizing continuous “real-time” feedback rather than once-a-year evaluations becomes a key component in effectively managing performance. Tools that can be helpful at this stage include performance management systems that emphasize accountability and link individual performance to organizational goals.

7. Develop Metrics to Assess Progress
How do you know when you get there? While some argue persuasively that high-performance organizations are engaged in a state of continuous improvement, it’s important to proactively decide what you’re going to measure to determine if the organization is on track. Tools that can be helpful at this stage include balanced score cards, goal setting, and management by objectives.

At the core of a high-performing organization is a strong organizational culture. These companies benefit from higher revenue margins, higher employee commitment, and lower turnover and absenteeism. They also tend to be much more adept at recruiting and retaining top talent.

**HOW EMPLOYEES EMBRACE CULTURE**

New employees must be immersed in the culture. In some cases they will need formal training, but in most cases the organizational culture is transmitted to employees through stories, rituals, material symbols, and language used by their peers and seniors.

**Stories** - Narrative of events about the organization’s founders, rule breaking, relocation of employees, past mistakes, etc. Serve as anchors for the present and legitimize current practices.

**Rituals and Ceremonies** - Repetitive sequences of activities that express and reinforce the key values of the organization.

<table>
<thead>
<tr>
<th>Types of Rituals</th>
<th>Examples of Rituals</th>
<th>Purpose of Rituals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rite of Passage</td>
<td>Introduction and Basic training</td>
<td>Learn and internalize norms and values</td>
</tr>
<tr>
<td>Rite of Integration</td>
<td>Annual Christmas party or Birthday Clubs</td>
<td>Build common norms and values</td>
</tr>
<tr>
<td>Rite of Enhancement</td>
<td>Presentation of Annual awards/ceremonies</td>
<td>Help motivate and foster commitment to norms and values of company.</td>
</tr>
</tbody>
</table>

**Material Symbols** - Layout of corporation headquarters, types of automobile top executives are given, aircraft, size of offices, executive perks, etc.

**Language** - Organizations develop unique terms related to its business. When jargon has been assimilated, it acts as a common denominator that unites members of a given culture or subculture.
**CREATING AN ETHICAL CULTURE**

Characteristics that help shape ethical practices in the organization include:

- Organization is high in risk tolerance but low to moderate in aggressiveness.
- Focuses on means as well as outcomes.
- Managers are supported for taking risks and innovating.
- Strong culture exerts more influence on employees than a weak one.

How can management create a more ethical culture?

- Be a visible role model.
- Employees look to top management behaviour as a benchmark.
- Communicate ethical expectations.
- Code of ethics can minimize ethical ambiguities.
- Provide ethical training.
- Training sessions that reinforce standards of conduct and clarify permissible practices.
- Visibly reward ethical acts and punish unethical ones.
- Performance appraisal of managers should include analysis of behaviour against code of ethics.
- Provide protective mechanisms.
- Creation of ethical counselors, ombudsmen, or ethical officers.

All managers can do their part to create an ethical culture and to consider spirituality and its role in creating a positive organizational culture. Often you can do as much to shape your organizational culture as the culture of the organization shapes you.

**SUMMARY**

Just like having a strong personality adds character to a person, organizational culture does give a business its own special identity. It helps create cohesion among the employees as they share the primary characteristics of organizational culture and imbibe in them the spirit of teamwork.
TOPIC 4.4 - ORGANIZATIONAL CHANGE

INTRODUCTION
Anytime a new idea is introduced into the workplace or an existing organization takes on additional duties there will be impact on the employees, contractors, managers, current and future customers and other stakeholders involved in the introduction of an innovation.

These organizational changes often impact the workforce and individual jobs. This type of change must be managed to reduce the impact on productivity and employee morale. This topic will explore the techniques required to implement and manage effective organizational change.

OBJECTIVES
Upon completion of this topic you will be able to:

1. Employ a change process.
2. Select strategies to overcome resistance to change.
3. Produce a change management plan.

CHANGE AS A CONSTANT
Organizations that are innovative and wish to grow will experience on-going and constant change. This change can be stressful on both the managers and their employees. The organization must demonstrate to all that change is part of the business and that managers at levels are capable of managing the change process.

Employees must learn to embrace change. In fact employees should be encouraged to look for other opportunities to improve the product or service and to introduce change into the workplace.

First and foremost you must create a reason for the change and to produce a shared vision, strategic plan and strategic goals. Once this is completed it is recommended that the team leading the change consider:

1. Provide for the planned resources required to implement the change.
2. Provide training for those impacted by the change effort.
3. Monitor the progress of the change based on the implementation plan.
4. Provide continuous assistance to those impacted by the change.

THE CHANGE PROCESS
Kotter a recognized researcher and author exploring change identified an eight step organizational change process reflected below.

Step 1: Create a Sense of Urgency. When considering a major change managers must give this change effort as high priority for the organization.
**Step 2: Create a Guiding Coalition.** A major change effort requires a group of like-minded individuals who have position power, expertise and credibility within the organization and are respected for their formal and informal leadership role.

**Step 3: Develop a Change Vision.** Kotter notes that a vision must be strategically feasible and provide real guidance to those leading the change and those impacted by the change. The vision must be focused, desirable, flexible and easy to explain (communicate) to all affected parties.

**Step 4: Communicate the Vision for Buy-In.** Organizations must regularly and clearly communicate their vision and the steps that are being implemented to achieve the vision. The communications process must be two way, simple and vivid. Leaders must “walk the talk”.

**Step 5: Empower the People and Remove Barriers.** Institutional barriers must be identified and those acting as an obstacle must be removed. Employees, customers and stakeholders must be encouraged to support the implementation and they must be given the power to influence and change those things that impact their work environment.

**Step 6: Generate Short-Term Wins.** When a change process is long-term it is essential to demonstrate to all others impacted by the change that the change effort can have positive impact. In DE, demonstration courses using the new technology that all can play with is one short-term win. According to Kotter the short-term wins must be highly visible and unambiguous. Short-term wins must be widely communicated to others.

**Step 7: Don’t Let Up.** Continue to move forward even though you may experience resistance. You must find ways around the resistance. In long change projects you must never lose your momentum. You must continue at the same pace throughout the project. You must continue to communicate and share your wins.

**Step 8: Make it Stick.** You must consider ways of ensuring that the changes take route and become institutionalized. You must consider how to create a new culture that embraces your change effort and makes it just another process that must be completed.

**THE IMPACT OF CHANGE ON ORGANIZATIONS**

In any organization there are number of different groups, each with their own concerns and agenda. The concerns will differ depending on the role of the organization. In addition change can be either internally imposed (i.e. by the company’s management team) or externally imposed (e.g. by the bank or by investors). Let’s examine the advantages and disadvantages of both types of change.

**Advantages of Internally Imposed Change**

Make the most of an internally created change, such as someone retiring or someone lobbying for a vending machine in the office. When change starts from within the organization, it is often received in a more positive manner. Internal change has many advantages for an organization, including increased morale among the employees, a sense
of employee empowerment and control and a high likelihood of the change becoming permanent. Because the change originates from the group, it is more easily accepted and becomes the norm.

**Advantages of Externally Imposed Change**

Create change from outside the organization when change needs to happen quickly and the organization is not yet ready for the change. While external change is harder to accept than internal change, there are some distinct advantages for external change in an organization. This type of change can help jump start a declining organization and can change its course completely. One example of this is if a company is bought out by a larger company. This external change can help save the smaller company by looking objectively at the situation and changing when needed. Another advantage of external organizational change is that many organizations tend to reach a plateau level if left unchanged for too long. People become comfortable in their ways and stop seeking new and better ways to accomplish things. External change is good for improving the organization when it cannot be done internally.

**Disadvantages of Internally Imposed Change**

Not all change is a good thing, and sometimes internally generated change can breed bad results. If a team or organization has a very domineering member, the internal change will often be a result of that single person and will therefore be too single-minded to be good for the organization at large. Additionally, when teams have been working together for too long in the same environment, the group mentality can take over and create unproductive change within the organization. When this type of internally imposed change is happening, bring in external resources to help manage the process.

**Disadvantages of Externally Imposed Change**

When change is forced on an organization, often the organization will rebel. One of the main disadvantages of externally imposed change is that it is unsuccessful in the long term. Often, external resources can force the change for a while, but when those people move on to different roles, the organization will return to its previous behaviors. Additionally, the change process itself can cause temporary chaos within the organization and actually reduce productivity for a couple of weeks or months.

**Overcoming Resistance to Change**

As noted above many new or re-engineered organizations will experience considerable resistance from those impacted by the proposed change. Dormant (1999) identifies several reasons why individuals fail to cooperate or support new initiatives within their organization. These include:
1. Different or conflicting priorities to those being espoused by the change effort.
2. Limitations in their ability or experience to actively participate in the new initiative.
3. Individuals impacted by the change process do not understand the change and therefore question why it is necessary.
4. There is a lack of trust between the implementers of the change effort and those affected by the change process.
5. Individuals fear they or their current organization may lose something (control, finances, personnel, etc.) of importance to them as a result of the change process.

To overcome individual and collective resistance to change Dormant recommends a five stage change or acceptance process. This process should be implemented in parallel with other change efforts and these five stages should be incorporated into the implementation process.

**Awareness** - In this first stage individuals have only a passive awareness of the proposed change and may or may not have any information about it. At this point they may not have any opinion about the proposed change.

**Curiosity** – At this stage, individuals have heard about the innovation and begin to assess the personal impact of the change on them and their jobs.

**Visualization** – Individuals now begin to understand the proposed innovation and begin to verbalize their concerns about the impact of the change on their work. Individuals seek more information about the proposed change.

**Try Out** – Individuals will begin to test the innovation. They will try it out and ask additional questions about the change. They will attempt to learn as much as they can about the change before they willingly accept the innovation.

**Use** – Finally, individuals should begin to actively use the innovation and accept the change. They will begin to explore how the innovation can be used more effectively to support their jobs. They will begin to provide advice on how to modify the innovation to make it even more effective. They have in effect begun a new change process.
Below are some examples of potential strategies to use when employing the Dormant Change Model.

<table>
<thead>
<tr>
<th>Stage</th>
<th>Example Strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Awareness</td>
<td>• Change web site.</td>
</tr>
<tr>
<td></td>
<td>• Monthly newsletters.</td>
</tr>
<tr>
<td></td>
<td>• Information brochures.</td>
</tr>
<tr>
<td>Curiosity</td>
<td>• Conduct briefings.</td>
</tr>
<tr>
<td></td>
<td>• Provide lunch and learn sessions.</td>
</tr>
<tr>
<td></td>
<td>• Provide examples of other organizations that have successfully implemented similar changes.</td>
</tr>
<tr>
<td></td>
<td>• Establish a discussion forum that allows individuals to discuss and contribute to the change process.</td>
</tr>
<tr>
<td>Visualization</td>
<td>• Seek input from early adopters on potential projects/organizational needs.</td>
</tr>
<tr>
<td></td>
<td>• Provide workplace samples of the proposed change.</td>
</tr>
<tr>
<td></td>
<td>• Provide illustrations and demonstration of different job techniques or technologies to be used.</td>
</tr>
<tr>
<td></td>
<td>• Encourage peer to peer discussions and information sharing.</td>
</tr>
<tr>
<td></td>
<td>• Provide workshops for early adopters.</td>
</tr>
<tr>
<td></td>
<td>• Establish and communicate first win such as increased productivity.</td>
</tr>
<tr>
<td>Try Out</td>
<td>• Provide on-going training/professional development for all tools and techniques.</td>
</tr>
<tr>
<td></td>
<td>• Encourage early adopters to take the lead.</td>
</tr>
<tr>
<td></td>
<td>• Make changes based on early feedback.</td>
</tr>
<tr>
<td>Use</td>
<td>• Create communities of practices for idea sharing and information exchange.</td>
</tr>
<tr>
<td></td>
<td>• Continue and grow the professional development process.</td>
</tr>
<tr>
<td></td>
<td>• Integrate changes into organizational business practices.</td>
</tr>
</tbody>
</table>

Activity – The Change Process

Consider the following questions as they relate to your organization. Record your responses in your course journal.

1. Do people in your organization believe change is possible?
2. How long will it take to bring about change in your organization?
3. Is resistance to change greater in your organization due to the culture of the society in which it operates?
4. How will the societal culture affect efforts to implement change?
5. Do you have champions in your organization who can help to gather support for innovation efforts?
SUMMARY
As noted at the beginning of this topic, change is constant. Managers must be prepared for and learn to effectively manage the change process. They must recognize the barriers and resistance to change and develop and implement strategies to overcome the resistance. Just like other parts of a business, change must be planned, managed and evaluated.
UNIT FOUR – SUMMARY

ASSIGNMENTS AND ACTIVITIES

You should now complete the final assignment described earlier. The instructions for Assignment Four are described below.

Assignment Four – Organizational Development

This is the fourth and final assignment in the course. You will be required to complete an organizational development study and change management plan. The study should describe the following:

1. The organization’s purpose and structure.
2. The organization’s business goals.
3. The types of jobs that support the work of the organization.
4. The effectiveness of the work flow and job design to meet organizational business goals.
5. The culture of the organization.
6. Changes required in the organization.
7. The impact of change on the workforce.
8. The change management approach.
9. Strategies to be used to manage the change management effort.

Produce a double spaced fifteen page paper with references to support your observations and recommendations. Submit the final paper to your instructor for review, feedback and grading.

SUMMARY

This is the last unit of the course. It explored how to effectively structure your organization to support different work designs. Work must be designed and jobs must be structured in a way that helps employees maintain their level of job satisfaction and motivation. When creating or re-engineering an organization, the change agents must take into consideration the organization’s culture. Ideally the changes will support the existing culture and encourage others to embrace the new ways being proposed by the change.

Managers must embrace the change process. They must become organizational change agents who employ the appropriate procedures and strategies to guide the organization through the change process.
COURSE SUMMARY

LESSONS LEARNED
You are encouraged to reflect upon the lessons learned from this course. You should create your own list of lessons learned. You should note areas or topics that you would like to explore further. Just because the course has ended you should continue to gain additional expertise by reading Organizational Development journals, articles and books. You may even want to participate in workshops and conference in organizational behaviour.

It is hoped that you will take the knowledge and skill you have learned during completion of this course to help improve your organization. This course should support the entrepreneur who is just starting out and individuals working in more mature organizations.

Good luck in the future.

COURSE JOURNAL SUBMISSION
By now your course journal should be very full. You should submit it to your instructor for review, feedback and grading. He or she will ensure that you get your original journal back so that you can continue to record your organizational behaviour discoveries and decisions as you move forward with your business.

COURSE EVALUATION
As a final step you are asked to complete a course evaluation. Your institution will provide you with the form and instructions on how to complete it and submit it.

<List of Organizational Development Journals>

Journal of Organizational Behaviour -
http://onlinelibrary.wiley.com/journal/10.1002/%28ISSN%291099-1379

Journal of Organizational Behaviour Management -
http://www.obmnetwork.com/publications/jobm

Leadership and Organizational Development Journal -
http://www.emeraldinsight.com/journals.htm?issn=0143-7739

The Organizational Development Journal -
http://www.theisod.org/index.php/newsletter/9-uncategorised/73-journal