# CHAPTER – I

## INTRODUCTION

Developing core competencies in line with organizational demands and corporate goals is an area of prime importance in today's linear organization. The global competition demands very different types of manpower skills than what it used to be few years ago. Much importance today is given to the mental fitness of an employee for a defined job as compared to his vocational skills.
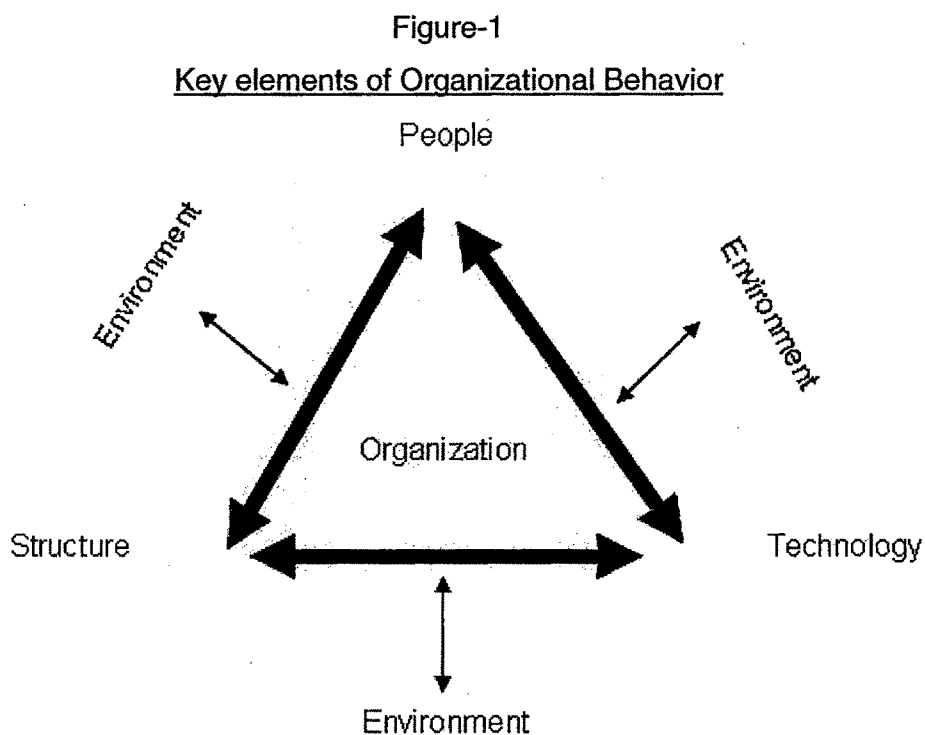
This needs a two end approach by which on one end an attempt to bring excellent brains with matching goals under one roof and on the other end develop and monitor a culture which gives fulfilling work environment to employees and in the process also achieve desired goals.

In an era of liberalization and globalization the outcome obviously is competition and uncertainty. These require 'Staffing' to be changed from present to future and hence generate scope for substantial qualitative improvement within the over-all setup. Manpower has become a key factor for success and growth. The skill and art lies in inducting them at proper place where both employees and employer get benefits of joint working. The role of employee is becoming more and more diverse. Many organizations have undergone radical changes in their working styles mainly because of economic pressure, demands of increased efficiency and productivity.

This is possible only by touching the innermost unexpressed human tendencies and thereby making an attempt to shape them in a way by which it becomes beneficial to both the employee and the organization.

Human beings realized long back that they differ from each other on more than one parameter. No two individuals are alike in abilities and behavior. This resulted into a need of developing a device for scientifically identifying and measuring such variances.

The key elements in organizational behavior are people, structure, technology and the environment in which the organization operates. When people join together in an organization to accomplish an objective, some kind of structure is required. People also use technology to help get the job done, so there is an interaction of people, structure and technology, as shown in Figure -1. In addition these elements are influenced by the external environment.

Figure-1

Key elements of Organizational Behavior

People



Structure

Organization

Technology

Environment

## People

People make up the internal social system of the organization. They consist of individuals and groups. There are unofficial informal groups and more official, formal ones. Groups are dynamic. They form, change, and disband. The human organization today is not the same as it was yesterday or the day before. People are the living, thinking, feeling beings who work in the organization to achieve their objectives. Organizations exist to serve people rather than people exist to serve organizations. It is for this reason that, while framing company policies, care is taken to consider the interests and needs of employees and their goals. This is

done by integrating the employee interests and the management interest with a view to achieving the objectives of the entire organization. The concept of integration of employee's interest and its relationship with Management objectives is as stated below :

## Integration of Interests of Employees and Management

| Employee's Interests | Management's Interest |
|---|---|
| - Recognition as an individual. | - Lowest unit personnel cost. |
| - Opportunity for expression | - Maximum productivity |
| - Economic security | - Availability and stability of employees |
| - Interest in work | - Loyalty of employees. |
| - Safety, healthy working conditions | - Co-operation of employees. |
| - Acceptable hours of work | - High organizational morale. |
| - Fair and efficient leadership. | - Intelligent initiative of employees. |

Structure

Structure defines the formal relationship of people in organizations. Different jobs are required to accomplish organization's activities. Employees have to be related in some structural way so that their work can be effectively coordinated. These relationships create complex problems of co-operation, negations and decision making.

Technology

Technology provides the resources with which people work and affects the tasks that they perform. They cannot accomplish much with their bare hands, so they build buildings, design machines, create work processes and assemble resources. The technology used has a significant influence on working relationships. An assembly line is not the same as a research laboratory and a steel mill does not

have the same working conditions as a hospital. The great benefit of technology is that it allows people to do more and better work but it also restricts people in various ways. It has costs as well as benefits.

## Environment

All organizations operate within an internal and an external environment. A single organization does not exist alone. It is part of a larger system that contains many other elements, such as government, the family and other organizations. All of these mutually influence one another in a complex system that creates a context for a group of people. Individual organizations, such as a factory or a school, cannot escape being influenced by this external environment. It influences the attitudes of people, affects working conditions and provides competition for resources and power.

It also became very important to evolve an appropriate Human Resources Development strategy aligned with the overall objective of an organization by conducting varied surveys and studies related to behavioral aspects of employees, their attitudes, their skills and knowledge and also their sense of belongingness and commitment for the organization.

This current scenario of corporate world needs some scientific study. The four major variables having a direct impact on the performance of an organization are:

1. Effectivity of an organization in eyes of society at large.
2. Individual productivity
3. Emotional Intelligence of employees
4. Work Values

All these four variables are interconnected and hence necessitating some research for establishing its relevance in today's corporate world.

## A HISTORICAL PERSPECTIVE OF GLOBAL AND INDIAN INDUSTRIAL SCENARIO

The field of 'Personnel and Administration' as a discipline of study is found to be very ancient. The precepts upon which its current concepts are based had their origins deep in history.

The Minimum Wage Rate and Incentive Wage Plans were included in the Babylonian code around 1800 B.C.

The Chinese, as early as 1650 B.C., had originated the principle of 'Division of Labour' and they understood the meaning and implications of labour turnover even in 400 B.C.

The Span of Management and the related concepts of organization were well understood by Moses around 1200 B.C.

Although human relationship have existed since the beginning of time, the art and science of trying to deal with them in complex organizations is relatively new. In the early days people worked alone or in such small groups that their work relationships were easily handled. It has been popular to assume that under these conditions people worked in a Utopia of happiness and fulfillment but his assumption is largely a nostalgic reinterpretation of history. Actual conditions were brutal and backbreaking. People worked from dawn until dusk under intolerable condition of disease, filth, danger and scarcity of resources. They had to work this way to survive and very little effort was devoted to their job satisfaction.

Then came the industrial revolution. In the beginning the condition of people did not improve, but at least the seed was planted for potential improvement. Industry expanded the supply of goods and knowledge that eventually gave workers increased wages, shorter hours, and more work satisfaction. In this new industrial environment Robert Owen, a young factory owner in the year 1800 was one of the first to emphasize the human needs of employees. He refused to employ young

children. He taught his workers cleanliness and improved their working conditions. This could hardly be called modern organizational behavior but it was a beginning. He was called 'the real father' of personnel administration by an early writer.

Andrew Ure incorporated human factors into his work 'The Philosophy of Manufactures', Published in 1835. He recognized the mechanical and commercial parts of manufacturing, but he also added a third factor, which was the human factor. He provided workers with hot tea, medial treatment, a fan apparatus for ventilation, and sickness payments. The ideas of Owen and Ure were accepted slowly by many other small proprietors in various parts of the world.

Interest in people at work was awakened by Frederick W. Taylor in the United States in the early 1900s. He is often called 'The father of scientific management,' and the changes he brought to management paved the way for later development of organizational behavior. His work eventually led to improved recognition and productivity for industrial workers. He pointed out that just as there was a best machine for a job, so were there best ways for people to do their jobs. To be honest, the goal was still technical efficiency, but at least management was awakened to the importance of one of its neglected resources.

Taylor's major work was published in 1911. It was followed in 1914 by Lillian Gilbreth's 'The psychology of Management' which primarily emphasized the human side of work. Shortly thereafter the National Personnel Association was formed, and later, in 1923, it became the American Management Association, carrying the subtitle 'Devoted Exclusively to the Consideration of the Human Factor in Commerce and Industry.' During this period Whiting Williams was studying workers while working with them, and in 1920 he published a significant interpretation of his experiences which was titled as 'What's one the Worker's Mind.'
Various research studies were also conducted during this period. In the 1920s and 1930s Elton Mayo and F. J. Roethlisberger at Harvard University gave academic stature to the study of human behavior at work. They applied keen

insight, straight thinking, and sociological backgrounds to industrial experiments at the Western Electric Company, Hawthorne Plant. They concluded that an organization is a social system and the worker is indeed the most important element in it. Their experiments showed that the worker is not a simple tool but a complex personality interacting in group situation that often is difficult to understand.

Taylor and his contemporaries, human problems stood in the way of production and so should be minimized. To Mayo, human problems became a broad new field of study and an opportunity for progress. He is recognized as the father of what was then called human relations and later became known as organizational behavior. Taylor increased production by rationalizing it. Mayo and his followers sought to increase production by humanizing it.

The Mayo-Roethlisberger research has been strongly criticized as being inadequately controlled and interpreted but its basic ideas, such as a social system within the work environment, have stood the test of time. The important point is that it was substantial research about human behavior at work and its influence was widespread and enduring.

In the 1947 and 1950 other major research projects developed in a number of organizations, including the Research Center for Group Dynamics, University of Michigan (especially leadership and motivation); Personnel Research Board, Ohio State University (leadership and motivation); Tavistock Institute of Human Relations in London (various subjects); and the National Training Laboratories in Bethel, Maine (group dynamics). As the results of this research began to filter into the business and academic communities, it stimulated new interest in the behavior of people at work. An 'age of human relations' began.

## INDIAN INDUSTRIAL SCENARIO

In India, Kautilya observed that there existed a sound base for systematic management of human resources as early as Fourth century B.C. The government then took active interest in the operation of public and private enterprises and provided systematic procedures for regulating employer-employee relationship. In some books the contribution of Kautilya in the field of 'staffing and personnel management' is described chronologically with respect to development taking place from time to time. This development in current context is described in six different phases known as Eras of industrialization.

1.  Era of Industrial Revolution

    The Industrial Revolution Era consisted essentially in the development of machinery, the use of mechanical energy and the consequent establishment of factories employing large number of people – all resulting in a tremendous increase in the productive power of an individual. It affected the personnel and administration system in many ways.

    *   The place of work changed from the home to a central work area.

    *   The method of production changed from manual to machine operations.

    *   The migration from rural to urban areas.

    *   Machine made the work simple and hence women and children got employed at manufacturing sites.

    *   Heavy physical labour was eliminated.

2.  Era of Trade Unionism

    This era has an influence on Personnel Management activities such as:

    *   The adoption of employee grievances handling systems.

    *   The acceptance of 'Arbitration' as a means of resolving conflicts

    *   Disciplinary practices

    *   Expansion of employee benefit programs.

    *   Introduction of holidays, job duties, seniority and wage structures.

3.  Era of Social Responsibility

    This was an era of Paternalistic Attitude towards employee. It provided

    • Better and satisfactory living and working conditions.

    • Shower baths and toilets into the factories.

    • Lighting and Ventilation.

    • Shortening of workday to 10 hours.

    • Raising the minimum age for employment to 11 years.


4.  Scientific Management Era

    This era developed the four great principles of management:

    • The development of a true scope for each job

    • A scientific selection of the right person for the job

    • Training a person to help him perform his job in a productive manner;

    • Friendly co-operation between the Management and an Employee.


5.  Human Relations Era

    During this period, psychologists were introduced to the field of industrial
    management to study systematically many personnel problems and as an
    outcome:

    • Concept of Job Analysis was introduced

    • Development of various Psychometrics Testing Devices got introduced.

    • Use of psychology in the field of Interviewing and Attitude measurement.

    • Emphasis on Training of employees and even various safety studies were
      undertaken.


The importance of human management is being increasingly realized in industrial
and non-industrial organizations both in India and abroad. This realization has
come about because of increasing complexity of the task of managers and
administrators. In most organizations the problems of getting the competent and

relevant persons, retaining them, keeping up their motivation and morale, and helping them to both continuously grow and contribute their best to the organizations, are now viewed as the most critical problems. With the changes in the social climate, values and norms, changes are also seen in the employees who join the organizations today. Their expectations are different, they have different values and norms and they are certainly more competent and more informed than employees were in the past. While these can be great assets to the organizations, they become problems if the organization is not able to manage human resources properly.

The growing importance of human management is reflected both in specializations in the field of human management as well as in the eagerness and willingness of line people to share responsibility for many human functions. The future trend, therefore, is likely to be in the direction of both diffusion of this function in 'line' management and its higher specialization to be managed by the human people.

So far the human function was confined to recruitment, salary administration and industrial relations. It was regarded as a necessary evil. However, organizations have realized that human resources are more valuable than other resources, and that their proper management can tremendously help the organizations to maximize the utilization of other resources.

6.  The Behavioral Science Era

The behavioral science movement began around 1955. The research in these disciplines has provided the subject matter for Personnel Management. Behavioral scientists are concerned with the impact of various methods of productivity and individual performance. They also focus on different styles of leadership, different philosophies on total organizational improvement, job design, personality growth, impact of different appraisal methodologies, group influences, organization and mass communications, productivity and change management.

## HUMAN BEHAVIOUR – NEED FOR SYSTEMATIC STUDY

Organization is necessarily composed of two or more individuals who function on a continual basis to achieve a common goal or set of goals. The sum-total of behaviours of these persons that they exhibit towards achievement of these goals forms and becomes the organizational behavior. Organizational behaviour is a field of study that investigates the impact that individuals, groups and structures have on behaviour within organization towards improving organization's effectiveness.

According to Dr. Abdel Baset I.M. Hasouneh from Jordan -
"Each one of us is a student of behaviour. We interpret what we see, we read people, we try to explain why a particular person behaved in a specific way and we also try to predict what people may do in different set of conditions.

Each of us would have developed some generalizations that we find helpful in explaining and predicting what people do and will do. These generalizations are arrived at by observing, listening, sensing, asking and reading. That is, our understanding comes from our own experiences and the experiences of others. These generalizations are not always accurate.

Some of them may be effective in explaining and predicting behaviour. Yet, we also carry with us several beliefs that frequently fail to explain behaviour. e.g.

1. Happy workers are productive workers.

2. Everyone wants a challenging job.

3. Everyone is motivated by money.

4. The most effective groups are devoid of conflict.

11

We should be aware that many of the views we hold concerning human behaviour are based on intuition rather than fact. A systematic approach to the study of behaviour can improve your explanatory and predictive abilities."

A systematic study involves looking at relationships, attempting to attribute causes and effects, and basing our conclusions on scientific evidence, that is, data gathered under controlled conditions and measured and interpreted in a reasonably rigorous manner.

Underlying the systematic approach is the belief that behaviour is not random. It is caused and directed at some end that the individual believes rightly or wrongly, is in his or her best interest.

Behaviour is generally predictable if we know how the person perceived the situation and what is important to him or her. While people's behaviour may not appear to be rational to the outsider, it usually is intended to be rational and is seen as rational by them. An observer does not have access to the same information or does not perceive the environment in the same way.

A systematic study does not mean that those things we have come to believe in an unsystematic way are necessarily incorrect. Some of the conclusions of systematic research will only support what we always know. Some of the evidences go against what we thought common sense. Many of the so-called 'common-sense' views we hold about human behavior are wrong. Further, what one person considers 'common sense' frequently runs counter to another's version of 'common sense'.

Are leader born or made? Is conflict in a group always a bad sing, or can conflict increase group performance? Individuals who have not reviewed the research are likely to differ on their answers.

One of the aims of the subject of organizational behaviour is to encourage us to move away from our intuitive views of behaviour toward a systematic analysis, in

the belief that the latter will enhance our effectiveness in accurately explaining and predicting behaviour.

When we view organizational behaviour as a way of thinking, we acknowledge that it can be systematically studied. It can be conceptualized as a systematic study of non-random cause and effect phenomena. It also directs one's thinking toward viewing behavior in a performance related context.

Organizational behaviour is a field of study that investigates the impact that individuals, groups and structure have on behaviour within organization, for the purpose of applying such knowledge toward improving an organization's effectiveness. It is a distinct area of expertise with a common body of knowledge. It studies three determinants of behaviour: individuals, groups and structure.

Organizational behaviour is an applied field. It applies the knowledge gained about individuals, groups and the effect of structure on behaviour for making organizations work more effectively.

To sum up, organizational behaviour is concerned with the study of what people do in an organization and how that behaviour affects performance of the organization. And since it is specially concerned with employment related environments, we will find that it emphasises on behaviour related to jobs, work, absenteeism, employment turnover, productivity, human performance, and management.

There is an increasing agreement as to the components or topics that comprise the subject area of organizational behavior. While there continues to be considerable debate as to the relative importance of each, there appears to be general agreement that organizational behaviour includes the core topics of effectiveness, productivity, togetherness and values.

## Contributing Disciplines to Organizational Behaviour Field

Organizational behaviour is an applied science and is built upon contributions from a number of behavior disciplines. The predominant areas are psychology, sociology, social psychology, anthropology, and political science. The contributions of the psychologists have been mainly at the individual or micro level of analysis, while the latter disciplines have contributed to our understanding of macro concepts and group processes of the organization.

Psychology :

Psychology is the science that seeks to measures, explain and sometimes change the behavior of humans and other animals. Psychologists concern themselves with studying and attempting to understand individual behaviour.

Those who have contributed and continue to add to the knowledge of organizational behaviour are learning theorists, personality theorists, counselling psychologists, and most important, industrial and organizational psychologists.

Early industrial psychologists concerned themselves with problems of fatigue, boredom and any other factor relevant to working conditions that could impede efficient work performance. More recently, their contributions have been expanded to include learning, perception, personality, training, leadership, effectiveness, need and motivational forces, Job satisfaction, decision-making process, performance appraisal, attitude measurement, employee selection techniques, Job-design and work stress.

Sociology :

Whereas psychologists focus their attention on the individual, sociologists study that social system in which individuals fill their roles. Sociology studies people in relation to their fellow begins. Sociologists have made their greatest contribution to organizational behavior through their study of group behavior in organizations, particularly formal and complex organizations. Some of the areas within organizational behavior that have received valuable input from sociologists

14

include group dynamics, organizational culture, bureaucracy, communications, power, conflict and inter-group behavior.

Social Psychology :

Social psychology focuses on interpersonal behaviour. It seeks to explain how and why individuals behave as they do in group activities. One of the major areas receiving considerable investigation by social psychologists has been 'Change Management'. We find social psychologists making significant contributions in measuring, understanding, and changing attitudes.

Anthropology :

Anthropologists study societies to learn about human beings and their activities. Their work on culture and environments has help us to understand differences in fundamental values, attitudes and behavior between people of different countries and within different organizations. Much of our understanding of organizational .culture, organizational environments and differences between national cultures i0s the result of the work of anthropologists or those using these methodologies.

Political Science :

Although frequently overlooked, the contributions of political scientists are significant to the understanding of behaviour in organizations. Political scientists study the behaviour of individuals and groups within a political environment. Specific topics of concern include structuring of conflict, allocation of power and how people manipulate power for individual self-interest.

## CONCEPTUAL FRAMEWORK OF ORGANIZATIONAL EFFECTIVENESS

Organizational effectiveness is a term that is more comprehensive and is reflected by mere good performance and productivity of members, or the financial success indicants of assets acquisition and profits. Organization effectiveness reflects how effectively the organization can discharge its obligations with respect to all its constituencies in its internal and external environment including employees,

15

shareholders, customers, suppliers, government agencies and the general public. The growth, development, motivation, morale and satisfaction of the employees in the in the organization combined with the image projection of the organization to its various constituents measures the real effectivity of the organization. Organization effectiveness, therefore, depends upon how the things are done in an organization.

Edgar Scein (1980) defined Organizational effectiveness as follows:
Acknowledging that every system has multiple functions and also exits within an environment, that provides unpredictable inputs, a system's effectiveness can be defined as its capacity to survive, adapt, maintain itself and grow regardless of the particular functions it fulfils.

## Various Approaches to Effectiveness

There has been many confusions about the concept of Organizational effectiveness. But concerted efforts have been made to define the concept. Four approaches have been offered for a clear understanding of organizational effectiveness. They are:

1. Goal-attainment approach
2. Systems approach
3. Stategic-Constituencies approach
4. Competing-values approach

The first approach is called the 'Goal-attainment approach' and the second approach is called 'Systems Approach'. The first approach defines organization effectiveness as the accomplishment of ends.

The second approach focuses on means defining organization Effectiveness as the ability to acquire inputs; process these inputs, channel the outputs, and maintain stability and balance in the system.

The third approach is called 'Stategic-Constituencies approach'. It defines Organizational effectiveness as satisfying the demands of those constituencies in the environment from which the organization requires support for its continued existence. Success, then, is the ability to place those individuals, groups, and institutions upon which the organization depends for its continued operation.

The fourth approach is called 'Competing-values approach'. It has sought to synthesize the large number of organizational effectiveness criteria into four models, each of which is based on a given set of values, and each of which additionally is preferred depending on where an organization is in its life cycle.

The competing value approach is an integrative framework for assessing Organizational effectiveness. The approach assumes that there are competing values that create conflicting goals. Every organization has many goals and there is also no total consensus around the goals that can be identified. In any organization – a Production executive, a financial executive, a personnel executive – everyone has different goals and defines Organizational Effectiveness as an exercise founded on values. It assumes that what an evaluator values will go a long way in determining what that evaluator chooses to assess.

Measuring level of effectiveness in an organizational

The most complex task of management is to manage the social impact of the organization. It depends on the manager's ability to think through the total effectiveness of the organization. The effectiveness of an organization can be judged at three levels.

1. It is productive –

   That is, it is able to produce the goods or services, it is meant to produce.

2. It is efficient –

   Produces the goods or services with minimum expenditure of resources – particularly the scarce resources.

17

3. It has a reputation for excellence –

   Its public image is that its goods or services are of high quality.

Every organization would like to be reputed. However, productivity and efficiency are the pre-requisites of a good reputation. An airline which boasts that it has the most efficient operations in terms of cost per passenger / mile cannot impress its passengers if they have been waiting for hours for the plane to take off.

Not only must the organization be productive it must utilize its resources to the best advantage. The oil crisis and the current scarcity of water and electricity have forcefully brought home the point that wastage of scarce resources affects not only the cost of the particular unit but also the economy of the country as a whole.

There are six stake holders who need to be satisfied, if an organization has to earn the reputation of being effective.

| Stakeholder | Satisfied by |
| --- | --- |
| Customer | Product |
| Employee | Work atmosphere and emoluments |
| Investor | Financial performance |
| Supplier | Win - Win deal with the organization |
| Government | Contributing to the national economy and goals |
| Community | Assisting in its well-being |

An efficient and productive organization satisfies the technical requirements of the stake holders, if it:

- Gives the customer goods and service of a high quality.
- Pays taxes regularly to the government.
- Provides job to the community.
- Give employees good working conditions and emoluments.
- Give the investor a fair return on his investment.

## Four Models of Effectiveness

There are four major models of organizational effectiveness they are:

1. Human Relations Model
2. Open systems Model
3. Rational Goal Model
4. Internal Process Model

The Human Relations Model emphasizes people, and flexibility and stresses on (a) maintaining cohesion and morale (means) and (b) value and development (ends) of human resources, as effectiveness criteria.

The Open systems Model emphasizes organization and flexibility and stresses on (a). Maintaining flexibility and readiness (means) and (b) Growth, resource acquisition, and external support, as effectiveness criteria (ends).

The Rational Goal Model emphasizes organization and control and stresses on (a) Planning and Goal setting (as means) and (b) productivity and efficiency (as ends), as effectiveness criteria.

The Internal Process Model emphasizes people and control and stresses the role of (a) information management and communication (as means) and (b) stability and control (as ends) in the assessment of effectiveness.

## Suitability of the model

The Competing-Values approach conceptualizes the suitability of each of these models in relation to the stage of organization in its life cycle.

If the organization is in:

1.  Entrepreneurial Stage: Typified by innovation, creativity and marshalling of resources, open system criteria of effectiveness seems to be suitable.

2.  Collectivity Stage: Typified by high co-operation and commitment, informality etc, human relations model is most associated with it.

3.  Formalization Stage: Typified by stability, efficiency of operations, rules and procedures and conservative trends, both internal process and rational goal models appear most dominant.

4.  Elaboration Stage: Monitoring of external environment so that the organization can renew itself and grow, open system model receives most emphasis.

The problem with the competing-value approach is that it lacks research-based support. Secondly, it is also difficult to determine the life stage cycle of organization.

## Human factor in organizational effectiveness

The traditional approach to organizational effectiveness was based on the combined use of managerial authority, reward, punishment and training of individuals. The basic assumptions was that people work well under pressure from the top, they work mainly for money, and can become effective if they are given the knowledge and skills required for the job.

However, with the increasing complexities of organization and society these assumptions were questioned. It became clear that internal pressure i.e. motivation was more important than external pressure. People developed more through what they experienced in their organizations and jobs than through formal

training, and therefore, job alone within the organization, assumed more importance (Pareek, 1993)

People were dissatisfied with the traditional approach to jobs. With industrialization and the advent of the scientific method of production there was a tendency to break up the job and align a specific task to each person. The use of the assembly-line technology led to the fragmentation of work and an individual was given a very specific and simple task. It was hoped that by doing a particular task continuously, and having the sole responsibility for it, an individual would become more efficient, and thereby increase his output in a given period of time. For simpler technology these expectations proved to be true.

There were several disadvantages in such a division of work. First, the individual lost control over the work, as also the sense of identity that he has while influencing or creating it. Secondly, it became monotonous as the person performed the same job over and over again. Thirdly, there was no sense of achievement or learning due to the repetitive nature of work. It was later realized that this process has a dehumanizing effect, reducing people to mere machines. The detrimental consequences of dehumanization of work became evident with the shift in emphasis to motivation and people's participation in decision making. Herzberg (1966) was among the first to pay attention to this aspect. He was working in medical school and based on his experience, he made a distinction between two kinds of factors in relation to the work people do. He distinguished between the factors which reduced the dissatisfaction of people, and those which contributed towards positive satisfaction.

According to Herzberg, lack of dissatisfaction does not necessarily result in satisfaction. The problem before an organization may be to reduce dissatisfaction on the one hand and provide increasing satisfaction to the employees on the other. He used the term 'hygienes' for the factors that caused dissatisfaction and 'motivators' for those that contributed towards people's satisfaction at work. Under the hygienes he listed company policies of administration, supervision,

relationship of the employees with the supervisor, working conditions, salary, relationship with peers and subordinates, status, security, etc. According to Herzberg getting these factors right was termed as hygiene management and it would reduce dissatisfaction. Otherwise people would be dissatisfied just as people get sick in the absence of proper hygiene.

On other hand, this would not necessarily lead to an increased level of satisfaction. To provide positive satisfaction to people, Herzberg highlighted the necessity of attending to a qualitatively different set of factors i.e. motivators. These are: The sense of achievement a person has from the job, the recognition that he gets for the work, the nature of the work itself, the amount of responsibility that he has to share in the work, the possibilities of advancement or promotion in the job, and the opportunities to learn new things and grow.

The hygienes were not directly related to work and therefore he called them 'job context factors' while motivators were directly related to work, and so he called them 'job context factors' Herzberg's distinction was major contribution not only to the theory of work motivation, but also to several organizational practices that were designed on the basis of this theory.

Herzberg's theory (1968) which is called 'the two-factor theory of motivation', led to a practical program of using a job as a major medium of developing people and changing organizational practices. The practical side of intervening in an organization was called job enrichment. The process of enrichment is the process of providing valuable 'things' to a person (valuable from his point of view).

According to Herzberg an attempt to provide more and more motivation in a job is extended so that he has to do more work, then it is called 'horizontal loading'. Several experiments have been carried out on job enrichment. Herzberg suggested that a job should be taken up for detailed analysis in order to find out the level of motivation present in it and then, steps be taken to enrich the job.

Such steps will make the job more satisfying to an individual and contribute toward his development.

Job enrichment uses jobs as the main medium of developing the competence and ability of the employees to share higher responsibility. A job enrichment program for one job has repercussions on other jobs also. Once the program succeeds in relation to one job, it will help redefine the other jobs, particularly those of the immediate supervisor in addition to some other peer roles.

The concept of job is designed as : 'The organization (or structuring) of a job to satisfy the technical organizational requirements of the work to be accomplished and the human requirements of the person performing the work.' An extension of the idea of job design (and job redesign) was work organization. Work connotes a broader concept than a job. Work structuring was influenced by several development socio-technical system studies, emphasis on the quality of working life and concern for the worker as a person. These are interrelated. Experiments in Europe, particularly in Sweden, indicated the effectiveness of restructuring work groups into what are termed as autonomous work groups. All these are interrelated concepts.

Work restructuring and work redesigning emphasized the use of responsibility, adaptability, variety and participations. The concepts of autonomy is central to the concept of work reorganization.

The relationship between a person and his work is a basic element of social life. Drastic changes in this relationship have been termed as revolution. It has been suggested that so far there have been two such revolutions the first, with the advent of machine power (replacing people by machines, in the late eighteenth century) and the second, with the information explosion through computers. The third revolution is now taking place that of humanization of work (Davis and Taylor, 1979).

The terms 'humanization of work', 'industrial democracy', 'quality of work life' and 'participative work' are interchangeably used to define the same concept. These concepts forward the case for treating the worker as a human being, improving his work environment and emphasizing his involvement in work related decisions.

Based on a review done in India, De (1984) has suggested seven stages in the dynamics of development of the new forms of work organization : Hostility, reluctance, guarded commitment and indifference, inter-group dynamics, positive interest, and inter-linkage with other experimental groups and organizations.

The concept of role widen the meaning of work and the relationship of the worker with other significant persons in the system. The concept of job is more prescriptive in nature and includeds the more discretionary parts of work. A job assumes relationship of the worker with his supervisor whereas the role emphasizes his relationship with all those who have expectations from him. In the recent times, much emphasis has been given to the development of roles and making them more effective in an organization. The focus on roles can be useful in planning organizational effectiveness.

## CONCEPTUAL FRAME WORK OF PRODUCTIVITY

Productivity is defined as the achievement of goals by transferring inputs to outputs. It is a performance measure including effectiveness and efficiency. Effectiveness means the achievement of goals and efficiency is the ratio of effective output to the input required to achieve it.

Bloom and Northrup (1969) define productivity or efficiency as:
A ratio between output measures in specific units. They point out that productivity index reflects the combined impact of several factors including changes in leadership, capital investment, rate of plant utilization, managerial efficiency and scale of operation as well as skill, quality and effort of human resources.

24

As is clear from the definition, productivity is the function of technical factors and employees' job performance factors. The technical factors include technological development, raw materials, job layout and methods. While employee's job performance factors are ability and motivation. Ability involves knowledge and skill while motivation is influenced by individual's needs, physical and social conditions. Knowledge involves education, experience, training and interest while skill relates to aptitude and personality. Individual needs include psychological, social and egoistic needs embracing several variables. Physical conditions include lighting, temperature, ventilation, rest pauses, safety and music whereas social conditions include union, leaders, informal group and formal organizations which in turn involve several factors.

The word productivity conjures up different images in different people. It is everybody's concern. Therefore, it is important to understand the real meaning of productivity.

1. Productivity means 'Elimination of waste in all forms'.

2. Productivity means better utilization of all resources i.e. Man, Machine, Material, Money and Land. In other words productivity means reduction in the consumption of all inputs i.e. Material, Power, Oil, Time, Labour.

3. Productivity is an attitude of mind. An attitude of welcoming a change for the better. An attitude of breaking away from tradition and set habits, and looking at things objectively.

4. Productivity means more and more of goods and services at lesser and lesser cost.

Higher productivity will result into increase in employment. More and more of goods and services at less and lesser cost will create greater and greater demand for them. This should in turn, offer work for more people.

It is essential that productivity movement must be on continuous basis. Apart from better utilization of all resources, good Industrial Relations play vital role in increasing productivity.

Thus productivity is a very comprehensive term involving multiplicity of external and internal factors having a direct relationship with sociological and psychological make-up of employees in a given set-up.

However it is important to understand some major misconceptions about productivity. They are as follows:

1. Productivity does not mean just more production. Production can be increased by increasing resources in equal proportion but Productivity means more production with same or less use of resources.

2. Productivity does not mean working harder. The aim of increased productivity is to reduce physical, central and perceptual effort.

3. Productivity should not be at the cost of quality.

4. Productivity should not lead to redundancy or retrenchment.

Three Factors in Productivity

Dunn and Stephens (1972) point out that there are three categories of specific factors in productivity including employees' ability, employee motivation and situational factors.

1. Ability Factor: Productivity is determined by ability factors including knowledge and skill. It also includes the ability to put in practice the knowledge and skill that a person has with optimum output.

2. Motivational Factor: Productivity is also influenced by motivation. Motivation is defined as an internal drive that helps a person to accomplish tasks.

Motivation not only ensures consistency but also is responsible for increase in output.

3. Situational Factors: Factors like working conditions, supervision and leadership, rewards, penalties etc. According to Stephens and Dunn, these characteristics include setting high standards or goals, enforcing these standards through rewards or punishments, influence of higher managers to get things done by subordinates, support for subordinates, consistency between action and values and attitudes, behavioral flexibility and predictability, technical knowledge and managerial skills.

- Productivity is the elimination of . . .

  - Waste of Time
  - Waste of Money
  - Frustration
  - Wrong Placement
  - Undue Physical Effort
  - Safety Risk and

  - Waste of Material
  - Unnecessary Mental Load
  - Discontent
  - Career Failure
  - Discomfort
  - Health Hazards.

- Productivity is inclusive of :

  - Providing More and More of Everything
  - For Everybody
  - With Less and Less Consumption of Resources.

Ways of Increasing Labour Productivity and its advantages

1. Improve method of doing a job by reducing unproductive motions, etc. Reduce un-necessary physical effort.

2. Giving proper training and also posting right man for right job.

27

3. Good Human Relations – This is one of the important factors of increasing labour productivity. Good Human Relations create healthy atmosphere and reduce tensions.

4. Providing better working conditions, safety standards etc.

5. Eliminations of discomfort, frustrations, etc.

## Resulting into :

1. Better standard of living

2. More opportunities for employment

3. Better working conditions with greater comfort and safety.

4. Greater satisfaction at work.

5. More wages

6. More and more goods/services for more and more people.

7. Industrial expansion etc.

## Block-Roads for Higher Productivity

1. Traditional impact.

2. Lack of vision and openness of mind.

3. Everybody believes that my design, method process is best. Therefore there is no scope for improvement. There is always better way of working and scope for further improvement.

4. Poor planning of resources.

5. Selection of wrong type of machinery.

6. Negative attitudes for new ideas. More resistance to charge.

7. Not having good employer-employee relations.

As stated by K. Sreenivasan in his book 'Productivity and Social Environment'
It is important to fulfill certain basic conditions for incorporating a culture, which is 'productivity oriented culture' in an organization.

1. Instead of applying the various productivity techniques in a random fashion, often in competition with each other, there should be a coordinated application of these techniques to a given industrial situation, taking into consideration the limited nature and scope of these techniques. It involves a detailed study of the situation in a particular industrial unit and the taking of suitable corrective measures that are most likely to yield the best results.

2. The application of these techniques is no substitute for the adoption of technological changes. In a fast changing and highly competitive industrial situation, only the constant introduction of technical changes and scientific knowledge as and when they are available combined with the use of productivity techniques will result in increasing productivity.

3. For creating and maintaining high productivity, the active co-operation of workers and trade unions is vital. This is only possible if workers are assured that high productivity will not result in unemployment and that the gains of increased productivity would be shared between the workers, employers and the consumers. This necessarily means the active co-operation of labour on the shop floor and its active participation in any productivity movement initiated by the management.

## CONCEPTUAL FRAMEWORK OF EMOTIONAL INTELLIGENCE

### Historical Perspective

In 1985 a graduate student at an Alternative Liberal Arts college in USA wrote a doctoral dissertation, which included the term "Emotional Intelligence" in the title. This seems to be the first academic use of the term "Emotional Intelligence."

Then in 1990 the work of two American university professors, John Mayer and Peter Salovey, was published in academic journals. They were trying to develop a way of scientifically measuring the difference between people's ability in the area of emotions. They found that some people were better than others at things like identifying their own feelings, identifying the feelings of others and solving problems involving emotional issues.

Since 1990 these professors have developed two tests to attempt to measure what they call as our 'Emotional Intelligence.' Because nearly all of their writing has been done in the academic community, their names and their actual research findings are not widely known.

Instead, the person most commonly associated with the term emotional intelligence is actually a New York writer named Daniel Goleman. He had been writing articles for the magazine Popular Psychology and then later for the New York Times newspaper. Around 1994 and early 1995 he was evidently planning to write a book about 'Emotional Literacy.' For that book he was visiting schools to see what programs they had for developing emotional literacy. He was also doing a lot of reading about emotions in general. In his reading he came upon the work of Mayer and Salovey. At some point it seems Goleman or his publisher decided to change the title of his upcoming book to 'Emotional Intelligence.' So in 1995 the book 'Emotional Intelligence' was published. Since then lot of work in all parts of the world is being done to explore the subject in a more scientific manner.

Definitions and significance of Emotional Intelligence

1.  Mayer and Codd, 2000
    The ability to process emotional information, particularly when it involves the perception, assimilation, understanding, and management of emotion.

2. S. Hein, March, 2004,

The mental ability we are born with which gives us our emotional sensitivity and our potential for emotional learning management skills which can help us and maximize our long-term health, happiness and survival.

3. By Susan Dunn, MA.

EQ – is a measure of your emotional intelligence, or your ability to use both your emotions and cognitive skills in your life. Emotional intelligence competencies include but are not limited to empathy, intuition, creativity, flexibility, resilience, coping, stress management, leadership, integrity, authenticity, and interpersonal skills.

4. Daniel Goleman

Defines this as 'the capacity for recognizing our own feelings and those of others, for motivating ourselves, and for managing emotions well, in ourselves and in our relationships.'

5. Swami Vivekananda

'Whenever there is intense conflict between the Head and the Heart let the Heart be given the precedence.'

6. Aristotle

'Any one can become angry – that is easy. But to be angry with the right person, to the right degree, at the right time, for the right purpose and in the right way – this is not easy since this needs to manage emotion.'

7. Narayan Murti

We have heard stories about highly intelligent, highly skilled executives promoted into a leadership positions, only to fail at the job. And we also have stories about someone with solid but not extraordinary intellectual abilities

and technical skills who was promoted into a similar position and then soared more because he was emotionally sound.

8.   S. Prahlad

Such anecdotes support the widespread belief that identifying individuals with the 'right stuff' to be leaders is more art than science. After all, the personal styles of superb leaders vary; some leaders are subdued and analytical; others shout their manifestos from the mountaintops. And just as important, different situations call for different types of leadership. Most mergers need a sensitive negotiator at the helm, whereas many turnarounds require a more forceful authority. This can happen only if the people concerned are emotionally matured.

9.   Swami Anubhavanand

We have found, however, that most effective leaders are alike in one crucial way; they all have high degree of what has come to be known as "Emotional Intelligence". It's not that IQ and technical skills are irrelevant. They do matter, but mainly as "threshold capabilities"; that is, they are entry-level requirements for executive positions. But recent research shows that E.I. is the lifeblood of leader. Without it, a person can have the best training in the world, an incisive analytical mind and an endless supply of smart ideas but he still won't make a great leader.

<u>Five basic Emotions and Social Competences</u>

'Emotional Intelligence' refers to the capacity for recognizing our own feelings and those of others, for motivating ourselves, and for managing emotions well in ourselves and in our relationships.

Five basic emotional and social competencies are:

- Self-awareness

  Knowing what we are feeling in the moment, and using those preferences to guide out decision making; having a realistic assessment of our own abilities and a well-grounded sense of self-confidence.

- Self-regulation

  Handling our emotions so that they facilitate rather than interfere with the task at hand; being conscientious and delaying gratification to pursue goals; recovering well from emotional distress.

- Motivation

  Using our deepest preferences to more and guide us toward out goals, to help us take initiative and strive to improve, and to persevere in case of setbacks and frustrations.

- Empathy

  Sensing what people are feeling, being able to take their perspective and cultivating rapport and attunement with a broad diversity of people.

- Social skills

  Handling emotions in relationships well and accurately reading social situations and networks; interacting smoothly; using these skills to persuade and lead, negotiate and settle disputes, for cooperation and teamwork.

## Characteristic of an *Ordinary Person* with low level of Emotional Intelligence

- He does not show emotions.
- Behaves like an introvert.

- Distances oneself from other
- Can't view things objectively.

33

- Take things personally.
- Has poor people skills.
- Often hurts others.
- Takes rash decisions
- Is low on motivation
- Does not know his potential
- Sometimes loses will to survive
- Show too many emotions
- Gets affected by anything that happens around him
- His performance depends on the surroundings

- Can be irrational.
- Can be arrogant.
- Is withdrawn.
- Is self centered and self seeking
- Has huge inertia
- Does not have space for others
- Indulges in self-pity

Characteristic of an *Ordinary Employee* with low level of Emotional Intelligence

- Wastage of time energy
- Underachievement
- Inability to be a team player
- Need for counseling
- Insecurity in the organization due to unpredictability
- Mood swings while working in Team
- Disruption of organizational peace
- Lack of focus on personal goals
- Unhealthy competition amongst employees
- Doubts on the validity and reliability of the senior management.

- Lack of focus on organizational climate
- Inter-personal problems
- Unsustainable performance
- Uncongenial environment

## Significance of Emotional Intelligence in Managerial Performances

### The difference between a manager having high Emotional Intelligence as compared with a manager with low emotional intelligence

| Aspect of Managerial Functions | Manager with High Emotional Intelligence | Manager with low Emotional Intelligence |
|---|---|---|
| • Responsibility | • Seeks It | • Accepts It |
| • Risk taking | • Consciously accepts it when payoff is high | • Avoids when possible |
| • Goals | • Follows Both Personal And Corporate Goals | • Follows Organizational Objectives |
| • Relationships with subordinates | • Protects team, often at shadowing one's identity | • Protects self at all costs |
| • Relationship with superiors | • Get acceptance and credit by accomplishment | • Get acceptance and credit by obediency |
| • Status | • Gains respect through achievement | • Demands Respect Due To Position |
| • Getting results | • Motivates others internally | • Motivates other with external means |
| • Use of rules | • Is flexible in certain circumstances | • Conforms strictly to established rules |
| • Control | • Controls the environment | • Is Controlled By Environment |

## Self-Management Cluster

The Self-Management cluster of EI abilities encompasses six competencies.

1. Heading the list is the Emotional Self-Control competence which manifests largely as the absence of distress and disruptive feelings. Signs of this competence include being unfazed in stressful situations or dealing with a hostile person without lashing out in return. Among small business owners and employees, those with a stronger sense of control over not only themselves but the events in their lives are less likely to become angry or depressed when faced with job stress. – Rahim and Psenicka, 1996

2. The Trustworthiness competence translates into letting others know one's values and principles, intentions and feelings and acting in ways that are consistent with them. Trustworthy individuals are forthright about their own mistakes and confront others about their lapses. A deficit in this ability operates as a career derailer. – Goleman 1998.

3. Conscientiousness distinguishes the model organizational citizens, the people who keep things running as they should. Among sales representatives for a large U.S. appliance manufacturer, those who were most conscientious had the largest volume of sales. – Barrick 1993.

4. If there is any single competence our present times call for, it is Adaptability. Emotional resilience allows an individual to remain comfortable with the anxiety that often accompanies uncertainty and to think "out of the box," displaying on-the-job creativity and applying new ideas to achieve results.

5. In its most general sense, this competence, which I call Achievement Drive, refers to an optimistic striving to continually improve performance. Studies that compare star performers in executive ranks to average ones find that stars display classic achievement-oriented behavior-they take more

calculated risks, they support enterprising innovations and set challenging goals for their employees, and so forth. Spencer and Spencer (1993) found that the need to achieve is the competence that most strongly sets apart superior and average executives. Optimism is a key ingredient of achievement because it can determine one's reaction to unfavorable events or circumstances; those with high achievement are proactive and persistent, have an optimistic attitude toward setbacks and operate from hope of success.

6.  Those with the Initiative competence act before being forced to do so by external events. This often means taking anticipatory action to avoid problems before they happen or taking advantage of opportunities before they are visible to anyone else.

## Group Emotional Intelligence

As Vanessa Druskat and Steven Wolff explains there are emotionally intelligent groups as well as emotionally intelligent individuals. Druskat and Wolff suggest that emotionally intelligent teams display the kinds of cooperation, commitment, and creativity that are increasingly important for organizational effectiveness. Furthermore, they show that although the emotional intelligence of individual members contributes to the level of emotional intelligence found in the team, there are other sources of group emotional intelligence as well. Also, just as individual emotional intelligence contributes to the emotional intelligence of the group, group emotional intelligence contributes to the emotional intelligence of group members. People who are members of emotionally intelligent groups become more emotionally intelligent individuals.

Emotional Intelligence influences on organizational effectiveness are subtle and difficult to measure. However, as Lyle Spencer says - we now are able to estimate more precisely than ever before the economic utility of emotional intelligence in organizations and the results of these analyses are consistent with commonsense
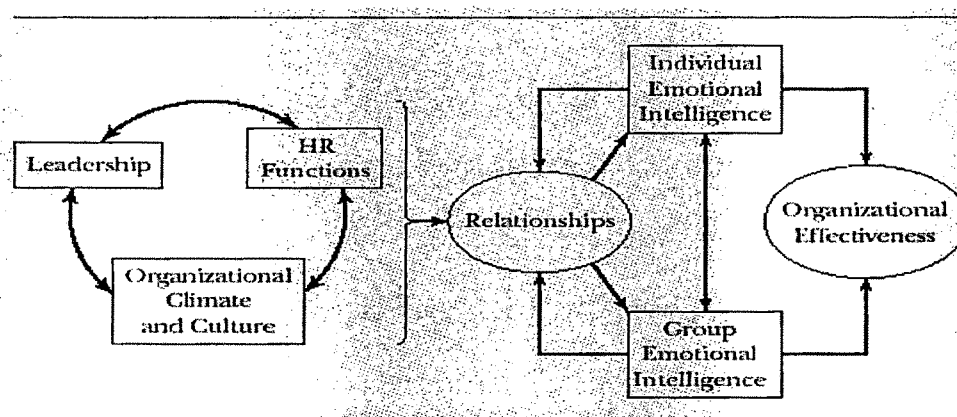
notions. Competencies associated with emotional intelligence play an important role in determining the effectiveness of organizations.

## A Model of Emotional Intelligence and Organizational Effectiveness

Figure - 2 presents a model that points to some broad factors in organizations that contribute to emotional intelligence. Managers desiring to help individuals and groups become more emotionally intelligent can use this model as a starting point.

Emotional intelligence, as Goleman (1995) pointed out in his first book on the topic, emerges primarily through relationships. At the same time, emotional intelligence affects the quality of relationships. Kram notes that both formally arranged relationships and naturally occurring relationships in organizations contribute to emotional intelligence. Relationships can help people become more emotionally intelligent even when they are not set up for that purpose. The model suggests that ultimately any attempts to improve emotional intelligence in organizations will depend on relationships. Even formal training interventions or human resource policies will affect emotional intelligence through their effect on relationships among individuals and groups in the organization.

### Figure-2

### Goleman's model of Emotional Intelligence

The left-hand portion of the figure – 2 illustrates three organizational factors that are interrelated. Each of these factors influences emotional intelligence through its impact on relationships and each factor influences the other two. For instance, through this model Goleman presents data showing how the emotional intelligence of organizational leadership influences organizational effectiveness through its impact on organizational climate. At the same time, the HR functions of recruitment and selection, training and development, and management performance have a strong impact on emotional intelligence of leadership. However, leadership in turn will influence the extent to which HR functions are effective in helping organizational members increase their emotional intelligence. Leaders who lack emotional intelligence provide poor models for the development of emotional intelligence in others and they are unlikely to provide the kind of support and encouragement necessary for effective emotional intelligence promotion efforts. The model suggests two important implications for practice.

First, any effort to improve the emotional intelligence of organizational members will ultimately fail unless it affects naturally occurring relationships among those members. Formal, off-site training programs can have value, for example, but only if they lead to sustained changes in interpersonal and intergroup relationships back in the organization.

The second important implication is that interventions that focus on only one part of the model are not likely to be very effective. So, for instance, a training program designed to help organizational members become more emotionally intelligent will be of limited value by itself because it targets only one part of the model—HR functions. Such training efforts will succeed only if the organizational leadership and culture support them.

All models are necessarily incomplete. This one captures some but not all of the important forces that contribute to the development of individual and group emotional intelligence in organizations. For instance, as Boyatzis and Kram note,

39

individuals bring into the organization values, aspirations, and developmental histories that influence their response to emotional intelligence promotion efforts.

## The Impact of Emotional Intelligence on Organizational Effectiveness

When we look deeply at almost any factor that influences organizational effectiveness, we find that emotional intelligence plays a major role. For instance, today the United States is passing through an unprecedented period of economic prosperity and growth. As a result in many organizations it has become increasingly more difficult to retain good employees, particularly those with the skills that are important in the high-tech economy. So what aspects of an organization are most important for keeping good employees?

A Gallup Organization study of two million employees at seven hundred companies found that continuance of an employee and his productivity is determined by the relationship which he enjoys with his immediate supervisor (Zipkin, 2000).

Another study quantified this effect further. Spherion, a staffing and consulting firm in Fort Lauderdale, Florida, and Lou Harris Associates, found that only 11 percent of the employees who rated their bosses as excellent said that they were likely to look for a different job in the next year. The rest 89 percent had a mind to continue with the same organization. However, 40 percent of those who rated their bosses as poor said they were likely to leave. In other words, people with good bosses are four times less likely to leave than those with poor bosses (Zipkin, 2000). The most effective bosses are those who have the ability to sense how their employees feel about their work situation and to intervene effectively when those employees begin to feel discouraged or dissatisfied. Effective bosses are also able to manage their own emotions, with the result that employees trust them and feel good about working with them. In short, bosses whose employees stay for long are bosses who manage with emotional intelligence. When it was asked to

identify the greatest challenges their organizations face, the concerns mentioned were :

- People need to cope with massive, rapid change.

- People need to be more creative in order to drive innovation.

- People need to manage huge amounts of information.

- The organization needs to increase customer loyalty.

- People need to be more motivated and committed.

- People need to work together better.

- The organization needs to make better use of the special talents available in a diverse workforce.

- The organization needs to identify potential leaders in its ranks and prepare them to move up.

- The organization needs to identify and recruit top talent.

- The organization needs to make good decisions about new markets, products, and strategic alliances.

- The organization needs to prepare people for overseas assignments.

These are the intense needs that face all organizations today. Virtually in every case, emotional intelligence plays an important role in satisfying these needs. For instance, coping with massive change involves, among other things, the ability to perceive and understand the emotional impact of change on ourselves and others. To be effective in helping their organizations manage change, leaders first need to be aware of and to manage their own feelings of anxiety and uncertainty (Bunker, 1997). Then they need to be aware of the emotional reactions of other organizational members and act to help people cope with those reactions. At the same time in this process of coping effectively with massive change, other members of the organization need to be actively involved in monitoring and managing their emotional reactions and those of others.

Emotional intelligence influences organizational effectiveness in a number of areas:

- Employee recruitment and retention
- Teamwork
- Productivity
- Sales
- Quality of service
- Client or student outcomes
- Employee commitment, morale, and health
- Development of talent
- Innovation
- Efficiency
- Revenues
- Customer loyalty

The influence of Emotional Intelligence begins with the retention and recruitment of talent. For instance, as Claudio Fernandez-Araoz points out that the extent to which candidates' emotional intelligence is considered in making top executive hiring decisions has a significant impact on the ultimate success or failure of those executives. The emotional intelligence of the persons doing the hiring is also crucial for good hiring decisions.

Emotional intelligence also affects the development of talent. For instance, Kathy Kram shows how relationships at work can contribute to the development of talent. However, not all relationships are equally effective in doing so. The emotional intelligence of the mentor, boss, or peer will influence the potential of a relationship with that person for helping organizational members develop and use the talent that is crucial for organizational effectiveness.

The HR functions of recruitment and selection, training and development, and management performance have a strong impact on leadership having Emotional Intelligence. However, right leadership in turn will influence the extent to which HR functions are effective in helping organizational members increase their Emotional Intelligence.

- Visionary leaders are empathic, self-confident, and often act as agents of change.

- Affilliative leaders, too, are empathic, with strengths in building relationships and managing conflict.

- The democratic leader encourages collaboration and teamwork and communicates effectively-particularly as an excellent listener.

- The coaching leader is emotionally self-aware, empathic, and skilled at identifying and building on the potential of others.

- The coercive leader relies on the power of his position, ordering people to execute his wishes, and is typically handicapped by a lack of empathy.

- The pacesetting leader both sets high standards and exemplifies them, exhibiting initiative and a very high drive to achieve but to a fault, too often micromanaging or criticizing those who fail to meet her own high standards rather than helping them to improve.

The most effective leaders integrate positive signs of Emotional Intelligence.

## CONCEPTUAL FRAMEWORK OF WORK VALUES

Values are ideals that guide or qualify our personal conduct, interaction with others, and involvement in our organization. They help us to distinguish what is right from what is wrong and inform us on how we can conduct our life in a meaningful way.

Values represent basic convictions which results into a specific mode of conduct which is socially preferable to an opposite or converse mode of conduct or end state of existence.

They contain a judgemental element in which they carry an individual's idea as to what is right, good, or desirable. Values have both content and intensity attributes.

43

The content attribute says that a mode of conduct or end-state of existence is important. The intensity attribute specifies how important it is. When we rank an individual's values in terms of their intensity, we obtain that person's value system. All of us have a hierarchy of values that forms our value system. This system is identified by the relative importance we assign to such objects of values as freedom, pleasure, self-respect, honesty, obedience, equality and so forth.

## Importance of Values

Values are important to the study of organizational behaviour because they lay the foundation for the understanding of attitudes and motivation as well as influencing our perceptions. Individuals enter the organizations with preconceived notions. These notions are not value free. As a result value needs to be objectivity and rationality analyzed.

Values generally influence attitude and behaviour. When the values of the individual and the organization are not in alignment it would lead to job dissatisfaction and reduced level of effort. The attitudes and behaviour would be quite different if they are aligned.

## Sources of Value Systems

In each culture certain values develop over a period of time and are continuously reinforced. These values are not fixed but when they change they change very slowly.

The values we hold are essentially established in our early years from parents, teachers, friends and others. The values of individual are initially influenced by the ideas and views expressed by their parents. As they grow up and are exposed to other value systems a number of their values alter. Values are relatively stable and enduring.

44

## Types of Values

Allport and his associates identified six types of values.

1.  Theoretical : Places high importance on the discovery of truth through a critical and rational approach.

2.  Economic : Emphasises the useful and usage.

3.  Aesthetic : Places the highest value on form and harmony.

4.  Social : Assigns the highest value to the love of people.

5.  Political : Places emphasis on the acquisition of power and influence.

6.  Religious : Is concerned with the Chapter of experience and understanding of the cosmos as a whole.

More recent research suggests that there is hierarchy of levels that are descriptive of personal values and life styles. One such study identified seven levels.

### Level 1. Reactive

These individuals are unaware of themselves or others as human beings and react to basic physiological needs. Such individuals are rarely found in organizations. This is most descriptive of new-born babies.

### Level 2. Tribalistic

These individuals are characterized by high dependence. They are strongly influenced by tradition and the power exerted by authority.

### Level 3. Egocentrism

These persons believe in rugged individualism. They are aggressive and selfish. They respond primarily to power.

## Level 4. Conformity

These individuals have low tolerance for ambiguity, have difficulty in accepting people whose values differ from their own, and desire that others accept their values.

## Level 5. Manipulative

These individuals are characterised by striving to achieve their goals by manipulating things and people. They are materialistic and actively seek higher status and recognition.

## Level 6. Socio-centric

These individuals consider it more important to be liked and to get along with other than to get ahead. They are repulsed by materialism, manipulation and conformity.

## Level 7. Existential

These individuals have a high tolerance for ambiguity and people with differing values. They are outspoken on inflexible systems, restrictive policies, status symbols and arbitrary use of authority. This value system can be used to analyse the problem of disparate values in organizations.

Classification of values

Values can be classified into four categories:
- Personal Values
- Cultural Values
- Social Values
- Work Values

## Personal Values

Personal values are principles that define one as an individual. Personal values, such as honesty, reliability, and trust, determine how one will face the world and relate with people.

## Cultural Values

Cultural values, like the practice of one's faith and customs, are principles that sustain connections with cultural roots. They help feel connected to a larger community of people with similar backgrounds.

## Social Values

Social values are principles that indicate how one relates meaningfully to others in social situations, including those involving family, friends, and co-workers.

## Work Values

Work values are principles that guide employee's behaviour in professional contexts. They define how an employee works and how he relates to his co-workers, bosses, and clients. They also reveal his potential for advancement.

Examples of various types of values under the cluster of Personal values, Cultural values, Social values and Work values would be broadly as stated below:

| Personal Values | Cultural Values | Social Values | Work Values |
|---|---|---|---|
| Caring | Ethnic roots | Morality | Interest in work |
| Courage | Faith | Equality | Supervisory treatment |
| Friendliness | Linguistic ties | Fairness | Initiation and participation |
| Independence | National ties | Family closeness | Rewards and punishment |
| Integrity | Regional ties | Lovingness | Praise and blame |
| Spirituality | Tradition | Reliability | Favoritism |

A value is a principle or standard that is held in high esteem by an individual and is related to all aspects of one's personal and work life.

The age-old proverb says 'Neither wise men nor can fools ever work without tools.' and one of these tools is undoubtedly Values. It's a word which is grossly synonymous with one's principles, one's attitudes, one's systems and of course one's practices. Values helps one to earnestly maintain a perfect decorum at one's work place. They help in removing animosities, bridge past process bottlenecks and ensure a harmonious system.

\* \* \* \* \*