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## Introduction

Organizational studies encompass the study of organizations from multiple viewpoints, methods, and levels of analysis. Another traditional distinction, present especially in American academia, is between the study of "*micro*" organizational behavior - which refers to individual and group dynamics in an organizational setting - and "*macro*" strategic management and organizational theory which studies whole organizations and industries, how they adapt, and the strategies, structures and contingencies that guide them. To this distinction, some scholars have added an interest in "*meson*" scale structures - power, culture, and the networks of individuals and i.e. units in organizations - and "*field*" level analysis which study how whole populations of organizations interact.

Whenever people interact in organizations, many factors come into play. Modern organizational studies attempt to understand and model these factors. Like all modernist social sciences, organizational studies seek to control, predict, and explain. There is some controversy over the ethics of controlling workers' behavior, as well as the manner in which workers are treated. As such, organizational behavior or OB (and its cousin, Industrial psychology) have at times been accused of being the scientific tool of the powerful. Those accusations notwithstanding, OB can play a major role in organizational development, enhancing organizational performance, as well as individual and group performance/satisfaction/commitment.

While Classical philosophies rarely took upon a task of developing a specific theory of organizations, some had used implicit conceptions of general organization in construct views on politics and virtue; the Greek philosopher Plato, for example, wrote about the essence of leadership, emphasized the importance of specialization and discussed a primordial form of incentive structures in speculating how to get people to embody the goal of the just city in *The Republic*. Also addressed such topics as persuasive communication. The writings of 16th century Italian philosopher Niccolò Machiavelli laid the foundation for contemporary work on organizational power and politics. In 1776, Adam Smith advocated a new form of organizational structure based on the division of labour. One hundred years later, German sociologist Max Weber wrote about rational organizations and initiated discussion of charismatic leadership. Soon after, Frederick Winslow Taylor introduced the systematic use of goal setting and rewards to motivate employees. In the 1920s, Australian-born Harvard

professor Elton Mayo and his colleagues conducted productivity studies at Western Electric's Hawthorne plant in the United States.

Though it traces its roots back to Max Weber and earlier, organizational studies began as an academic discipline with the advent of scientific management in the 1890s, with Taylorism representing the peak of this movement. Proponents of scientific management held that rationalizing the organization with precise sets of instructions and time-motion studies would lead to increased productivity. Studies of different compensation systems were carried out.

After the First World War, the focus of organizational studies shifted to how human factors and psychology affected organizations, a transformation propelled by the identification of the Hawthorne Effect. This Human Relations Movement focused on teams, motivation, and the actualization of the goals of individuals within organizations.

## **The Organization**

# Leadership

## Introduction

Employees and shareholders of the massive corporate failures at the beginning of this century know to their cost that leadership matters. Those who lost their jobs, pensions, or saw billions wiped off the value of organizations they had a stake in will be aware that the plight of these organizations was not caused by externalities such as world recession or competitor activity. These failures were the direct result of poor leadership. And traits such as narcissism, greed, and criminality have all been recruited to help explain the behavior of the business leaders involved.

The cult of leadership, the “celebrity CEO”, has partly come about because company accounts appear to be ill equipped nowadays to measure some of the activities of organization. If people do not understand the numbers, trusting the leader and assessing their qualities becomes even more important when making judgments about the business.

Corporate failure of the collapse of share value are, of course, extreme manifestations of poor leadership. More commonplace human outcomes of poor leadership include: employee stress, disenchantment, lack of creativity, cynicism, high staff turnover, and low productivity. Poor leadership, as they say, ultimately destroys the “human spirit” essential to ensuring organizational effectiveness.

We all appear to have an “implicit theory” of leadership –common- sense assumptions about what constitutes an effective leader. This more often than not includes the idea that certain people are born with a set of key personality characteristics, or traits, which make them “natural leaders. Indeed, this view of leadership is sometimes termed the “great man” theory of leadership.

As the theories says is that is more difficult the discovery of strong relationships between these dimensions and organizational variables such as productivity, job satisfaction, and staff turnover. The recognition that no one pattern of leadership “one best way” consistently produced high effectiveness led to what are termed situational or contingent theories of leadership. These predict that key features of the situation, such as the motivation and competence of subordinates, interact with the leader’s style to determinate its effectiveness.

Most of us are familiar with the word 'leader'. The word leadership can refer to the process of leading, the concept of leading and those entities that perform one or more acts of leading. In our day to day life, leadership can be viewed as either actual or potential.

Actual leader gives guidance or direction, as in the phrase "the emperor has provided satisfactory leadership".

Potential leader has the capacity or ability to lead, as in the phrase "she could have exercised effective leadership"; or as implies in the concept "born to lead".

Leadership can have a formal aspect (as in most political or business leadership) or an informal one (as in most friendships). The abstract term "leadership" usually implies that the entities doing the leading possess some "leadership skills" or competencies; while the term "leading" suggests action of leading.

Several types of entities may provide or exhibit leadership, actual or potential. Leadership emerges when an entity as "leader" contrives to receive deference from other entities who become "followers". The process of getting deference can become competitive in that the emerging "leader" draws "followers" from the factions of the prior or alternative "leaders".

In a democratic country, the people retain sovereignty (popular sovereignty) but delegate day-to-day administration and leadership to elected representatives.

Competence or perceived competence provides a possible basis for selecting leadership elites from a broader pool of potential talent. Political lobbying may prove necessary in electoral systems, but immediately demonstrated skill and character may secure leadership in smaller groups such as a service agency.

Many organizations and groups aim to identify, foster and promote what they see as leadership potential or ability - especially among younger members of society. The issues of succession planning or of legitimating a leader become important when leadership (particularly individual leadership) might or must change due to term-expiry, accident or senescence (growing old).

## The Personality

Is there leadership personality? This seems a plausible proposition. A leader has a complex relationship with those being led. This relationship involves persuading, exciting, and energizing others as well as clarifying performance goals and performance methodologies. Ways of achieving these expectations. The leader also needs to be trusted and be credible. Also needs the ability to perceive and respond to individual differences.

Leadership effectiveness is also statistically associated with higher levels of extraversion. The energy, enthusiasm and more expressive style of the extravert are important facets of this factor for leadership. Leaders need to create a sense of excitement about what an organization does. Extraverts are temperamentally more predisposed than introverts to display this enthusiasm and zest or their leadership roles. This enthusiasm and energy means they tend to relish novel challenges. And so changes in circumstances tend to be viewed as providing opportunities for the organization rather than threats. Like conscientiousness, extraversion is also a broad personality trait. Extraverts tend to be more affiliative. This means they tend to identify with individuals and groups more strongly. They tend to take a genuine interest in those around them and work harder at developing effective relationships. It also means they are more generous with their time and more open and direct with others. Thus their interpersonal style with their team and individuals tends to maximize the informal and personal elements in an encounter rather than tasks and formal roles.

In general, the relationship orientation, of the extraverted leader tends to be stronger. But the complexity of the extravert personality construct does mean affiliativeness is not necessarily always present in the extravert. Some leaders scoring highly on measures of extraversion possess only the enthusiasm and social confidence of the extravert. The absence of social anxiety enables them to make a positive first impression and generate a quick rapport with others. Their social confidence means, for example, that they have the ability to establish themselves quickly in meetings, even those comprised of unfamiliar individuals. But this social responsiveness can be fairly superficial, enabling them to connect with others socially but not personally. So although being able to engage with others socially they can have little genuine interest in other people. The statistical relationship between extraversion and leadership effectiveness therefore should not be interpreted as necessarily indicating that effective leaders have a stronger identification with others.



## The Gene

In his books “The leadership gene and developing Leadership Genius”, Dr. Cyril Levicki, a management consultant, writer, and teacher, claimed on the basis of observing the thousands of leaders he had work with that there are six “leadership chromosomes” which he claims are the building blocks of the leadership gene. These chromosomes were what the effective leader needed to be born with.

- Youthful energy: Levicki believed leaders need this all their lives. This energy creates optimism and passion. It gives leaders the ability to inspire and enthuse. Although a genetic gift it can be developed as a personal habit.
- Courageous circumspection: This enables leaders to deal with setbacks and dilemmas. Levicki sees this chromosome as a vital ingredient of the gene as leadership often means having to take very tough decisions.
- Winning ways: This is the tendency for leaders to map out their lives very early on. They operate on the assumption they will win from an early age.
- Balance: Leaders have to an effective balance between occupational and domestic interests. They also appear to “choose” their partners in life more carefully, based on more awareness of themselves. For Levicki this ability to choose who to fall in love with more carefully, finding someone who will support career progression, is an important ability of leaders.
- Intuition: Leaders are more intuitive; they can “sense” the right way forward.
- Moral fibre: Leaders need a moral framework to assess their decision-making. This does not mean leaders all need the same moral code. Levicki argues that some form of moral compass is crucial as it reduces the chances of leaders abusing power, being ruthless and exploitative.

For Levicki these are the qualities leaders must be born with. Levicki makes a distinction between these traits and skills. To be effective, to get to the top of an organization, leaders born with these qualities also need to develop a set of leadership skills (strategic, financial, and business analysis and judgment, communication and motivational skills, and selecting the right people to surround themselves with).

## Intelligent

Part of leader's task is to manage complexity. We would expect their ability to do so to be to some extent determined by their intelligence. The strong corporate beliefs about the importance of intelligence mean that intelligence tests are consistently used in management selection and promote a strong preference for employing high over low scorers.

But some studies have found connections between measures of intelligence and leadership effectiveness as low as zero. The median of such studies is a modest positive correlation of .2. The discrepancy here between what we tend to believe and the empirical evidence has led some researchers to attempt to explain the absence of a stronger relationship by identifying "intervening variables" which moderate the effect of a leader's intelligence. Podsakodt et al (1996) for example, in a meta analytic review of twenty two studies, found that such variables as the staff's professional orientation, ability, experience and training and whether the work-group was cohesive or not could effectively neutralize or substitute for a leader. In other words, these contextual variables had more impact on measures of effectiveness than differences between leaders.

In a classic study Ghiselli (1963) suggests the relationship is curvilinear: correlations are reduced if relationships are not linear. To test this idea he sorted a sample of managers into high-normal-low IQ groups. He found that managers in the high and low bands were less likely to be successful in their positions. This implies that an optimum level of intelligence is one high enough to cope with the organizational and human complexities of leadership, but not so high that he or she is regarded as being "on a different wavelength", "overly intellectual", or finds it difficult to relate effectively to less gifted individuals.

One refinement of the notion of intelligence has come from Jaques (1989). He argues that in an organizational setting what is important is not so much an individual's "G" but his or her cognitive power, which is defined as the maximum scale and complexity of the world an individual is able to cope with. Jaques argues that cognitive power is central to understanding of differences in leadership ability. This is because it determines an individual's time-horizon, the maximum time-span of a task an individual can comprehend and work with. The further up an organization they rise, the more individuals need cognitive power, as they have to think about tasks which may take years instead of months or days to complete. Cognitive power is seen as largely independent of "G"(and education, gender, or class) and is an ability developed much more gradually during an individual's career. However, it seems unlikely that cognitive power as defined by Jaques could be as independent of "G" as he claims and it probably represents one important manifestation of the interaction between "G" and an individual's organizational experiences.

## The Creation of effective teams and groups

Organizational behavior (OB) is a term related to the study of individual and group dynamics in an organizational setting, as well as the nature of the organizations themselves. Whenever people interact in organizations, many factors come into play. The subject of Organizational Studies attempts to understand and model these factors. This subject is becoming more important as people with diverse backgrounds and cultural values have to work together effectively and efficiently. OB seeks to emphasize the understanding of behavior in organizations so as to develop competencies in foreseeing how people are likely to behave. This knowledge may then help in controlling those behaviors that are not befitting the objectives of the organizations. Factors like objectivity, reliability and sustainability are important while selecting the methods for this purpose.

Questionnaire, interview, simulation and survey are generally used to elicit responses of individuals located in different types of organizations. To a large extent their personalities affect the nature of their responses

There is no sure way to succeed as a “Leader”. There are actually many different kind of “Leadership” but the manager is the one who will choose one. As we saw previously, a manager can choose between a democratic or non-democratic process. Also we can find this difference even in groups and teams. There are 6 (six) styles for effective team performance.

### 1. **coercive leader**

The “*coercive leader*”, which is one of the most aggressive of the six Leadership Styles, expects and demands immediate compliance to his/her orders. He has a style that accomplishes tasks by ordering and dictating, even demeaning his followers at times. This style is best used in situations where the company or followers require a complete turnaround attempt which is quite urgent and there is no real time for active group discussions. An example could be during disasters or dealing with underperforming employees. Another example would be to enforce Health and safety compliance improvements under law. This style should only be used for short time frames, just to get the job done, as the long term impact can be negative.

## 2. **Authoritative Leader**

The second of the Six Leadership Styles, the “*Authoritative Leader*” establishes him as being the expert in the company. One who is a visionary and sees the way forward, leading the company to success. Although the Authoritative leader leads the team to the vision, he will utilize the team to establish how they get there by themselves. This style is particularly effective in times when a new direction is needed: for someone to come up with the vision and the way forward.

## 3. **Affiliate Leader**

The “*Affiliate Leader*” is renowned for building teams; for putting employees first. Employees can expect a great deal of praise and feedback and there is normally a good sense of interconnection with the team. This style is most effective when there are situations of low morale and poor teamwork. Utilizing this method will, in the longer term, create good team bonding and heightened team performance. The negative aspect can be that poor performance will go by without feedback as the Leader may feel that conflict will upset the balance. –In this instance, one must be mindful to adjust their style to suit positive feedback when necessary.

## 4. **Democratic Leader**

The “*Democratic Leader*” will use the team as decision makers – taking the team vote to make decisions and improvements. Communication is key in this model, whereby all opinions are listened to as a group. The Democratic Leader is merely the chair for effective team decision making. When and only when the workplace is ready for Democratic Leaders, this style produces a work environment that employees can feel good about with heightened morale levels. Workers feel that their opinion counts, and because of that feeling they are more committed to achieving the goals and objectives of the organization. Remember, decisions still have to be made, so effect decisions in a timely manner must be the tip of the day when using this method!

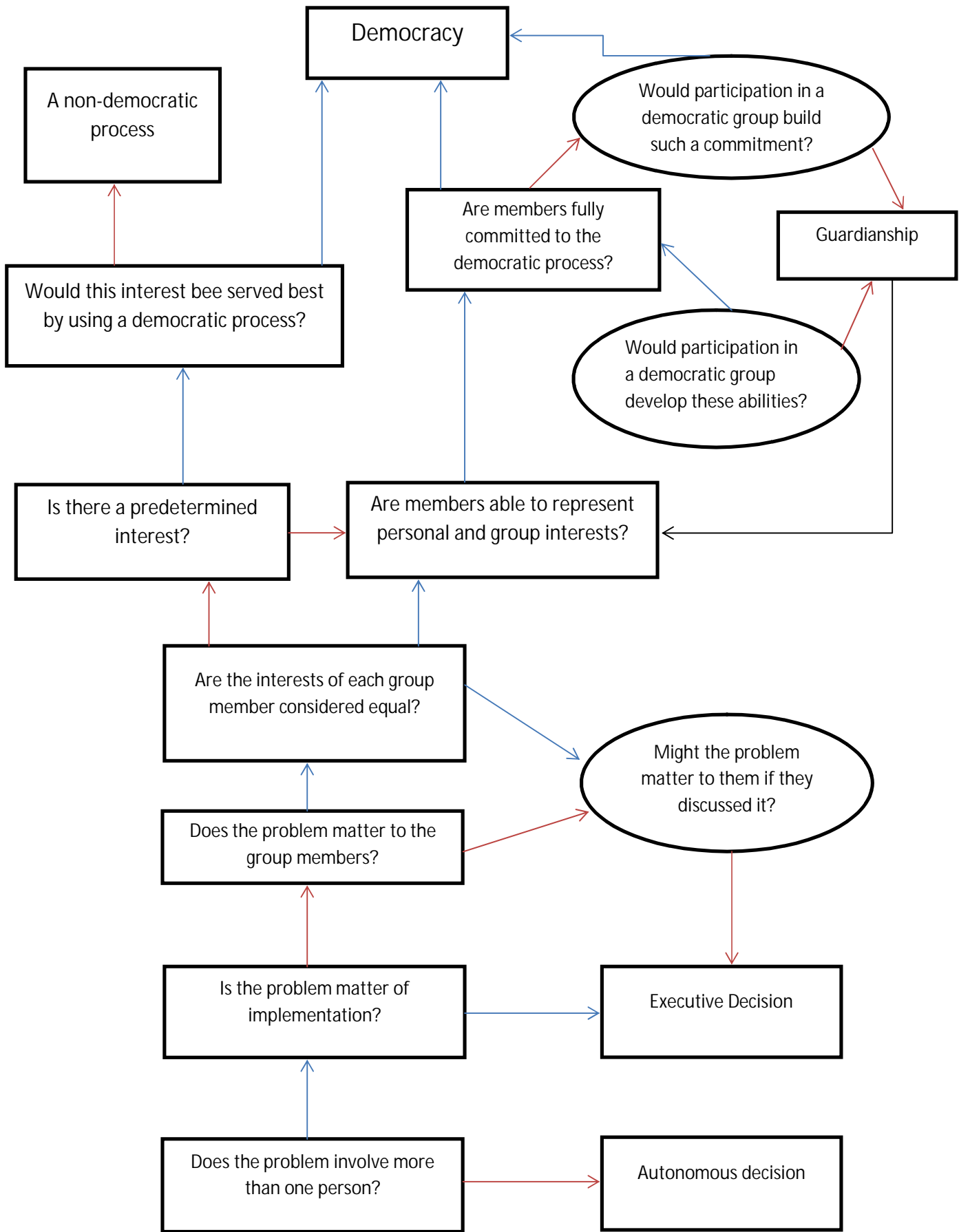
## 5. **Pacesetting Leadership**

Only when employees are self-motivated and highly skilled, the “*Pacesetting Leadership*” method comes into its own and is extremely effective. These Leaders set very high performance standards for themselves and the group and epitomize the behaviors they are seeking from other members of the group. Like the Coercive model, this is another of the Six Leadership Styles that cannot be sustained for a long time as workers can often "burn out" due to its demanding pace expected from them. This is worth bearing in mind when using. A good example of when to use this method is when a group has been functioning together as an effective team for a while and are now performing in a good team culture. At this point, the Leader may wish to tap things up and move to a new level of performance for a project or short term goal.

## 6. **Coaching Leadership**

In the “*Coaching Leadership*” Style the leader focuses purely on helping others in their personal development, and in their job-related activities towards a goal. With the use of this style, the Leader helps team members up skill and become successful in their development, working closely with, coaching, developing, and mentoring them to ensure they have the knowledge and skills to be successful. This style works best when the employee already understands their weaknesses, and is receptive to improvement suggestions or ideas. Be careful with over use, as this can come across as micromanaging the team. If used well, this is, however, an effective style to develop a learning organization.

I actually prefer the democratic leadership with the use of effective teams and groups. In groups like these, members are encouraged to share their thoughts and could lead to better ideas and more creative solutions to problems. Group members also feel more involved and committed to projects, making them more likely to care about the end results. Research on leadership styles has also shown that democratic leadership leads to higher productivity among group members.



## **Organizational culture**

Organizational culture refers to culture in any type of organization be it school, university, not-for-profit groups, government agencies or business entities. In business, terms such as corporate culture and company culture are sometimes used to refer to a similar concept.

Although the idea that the term became known in businesses in the late 80s and early 90s is widespread, in fact corporate culture was already used by managers and addressed in sociology, cultural studies and organizational theory in the beginning of the 80s.

The idea about the culture and overall environment and characteristics of organization, in fact, was first and similarly approached with the notion of organizational climate in the 60s and 70s, and the terms now are somewhat overlapping.

### **The same as the organization**

Culture as root metaphor sees the organization as its culture, created through communication and symbols, or competing metaphors. Culture is basic with personal experience producing a variety of perspectives.

The organizational communication perspective on culture views culture in three different ways:

- Traditionalism: views culture through objective things such as stories, rituals, and symbols.
- Interpretive: views culture through a network of shared meanings (organization members sharing subjective meanings).
- Critical-interpretive: views culture through a network of shared meanings as well as the power struggles created by a similar network of competing meanings.



## Factors and elements

Gerry Johnson (1988) described a cultural web, identifying a number of elements that can be used to describe or influence organizational culture:

- 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.

These elements may overlap. Power structures may depend on control systems, which may exploit the very rituals that generate stories which may not be true.

According to Schein (1992), the two main reasons why cultures develop in organizations is due to external adaptation and internal integration. External adaptation reflects an evolutionary approach to organizational culture and suggests that cultures develop and persist because they help an organization to survive and flourish. If the culture is valuable, then it holds the potential for generating sustained competitive advantages. Additionally, internal integration is an important function since social structures are required for organizations to exist. Organizational practices are learned through socialization at the workplace. Work environments reinforce culture on a daily basis by encouraging employees to exercise cultural values.

Organizational culture is shaped by multiple factors, including the following:

- External environment
- Industry
- Size and nature of the organization's workforce
- Technologies the organization uses
- The organization's history and ownership

## Schemata

Schemata are knowledge structures a person forms from past experiences, allowing the person to respond to similar events more efficiently in the future by guiding the processing of information. A person's schemata are created through interaction with others, and thus inherently involve communication.

Stanley G. Harris (1994) argues that five categories of in-organization schemata are necessary for organizational culture:

1. Self-in-organization schemata: a person's concept of oneself within the context of the organization, including her/his personality, roles, and behavior.
2. Person-in-organization schemata: a person's memories, impressions, and expectations of other individuals within the organization.
3. Organization schemata: a subset of person schemata, a person's generalized perspective on others as a whole in the organization.
4. Object/concept-in-organization schemata: knowledge an individual has of organization aspects other than of other persons.
5. Event-in-organization schemata: a person's knowledge of social events within an organization.

All of these categories together represent a person's knowledge of an organization.

Organizational culture is created when the schemata (schematic structures) of differing individuals across and within an organization come to resemble each other (when any one person's schemata come to resemble another person's schemata because of mutual organizational involvement), primarily done through organizational communication, as individuals directly or indirectly share knowledge and meanings.

## Passive/defensive cultures

Norms that reflect expectations for members to interact with people in ways that will not threaten their own security are in the Passive/Defensive Cluster.

The four Passive/Defensive cultural norms are:

- Approval
- Conventional
- Dependent
- Avoidance

In organizations with Passive/Defensive cultures, members feel pressured to think and behave in ways that are inconsistent with the way they believe they should in order to be effective. People are expected to please others (particularly superiors) and avoid interpersonal conflict. Rules, procedures, and orders are more important than personal beliefs, ideas, and judgment. Passive/Defensive cultures experience a lot of unresolved conflict and turnover, and organizational members report lower levels of motivation and satisfaction.

## Aggressive/defensive cultures

This style is characterized with more emphasis on task than people. Because of the very nature of this style, people tend to focus on their own individual needs at the expense of the success of the group. The aggressive/defensive style is very stressful, and people using this style tend to make decisions based on status as opposed to expertise.[19]

1. Oppositional - This cultural norm is based on the idea that a need for security that takes the form of being very critical and cynical at times. People who use this style are more likely to question others work; however, asking those tough question often leads to a better product. Nonetheless, those who use this style may be overly-critical toward others, using irrelevant or trivial flaws to put others down.
2. Power - This cultural norm is based on the idea that there is a need for prestige and influence. Those who use this style often equate their own self-worth with controlling others. Those who use this style have a tendency to dictate others opposing to guiding others' actions.

3. Competitive - This cultural norm is based on the idea of a need to protect one's status. Those who use this style protect their own status by comparing themselves to other individuals and outperforming them. Those who use this style are seekers of appraisal and recognition from others.
4. Perfectionist - This cultural norm is based on the need to attain flawless results. Those who often use this style equate their self-worth with the attainment of extremely high standards. Those who often use this style are always focused on details and place excessive demands on themselves and others.

Organizations with aggressive/defensive cultures encourage or require members to appear competent, controlled, and superior. Members who seek assistance, admit shortcomings, or concede their position are viewed as incompetent or weak. These organizations emphasize finding errors, weeding out "mistakes" and encouraging members to compete against each other rather than competitors. The short-term gains associated with these strategies are often at the expense of long-term growth.[19]

## Tribal culture

David Logan and coauthors have proposed in their book Tribal Leadership that organizational cultures change in stages, based on an analysis of human groups and tribal cultures. They identify five basic stages:[21]

1. Life sucks (a subsystem severed from other functional systems like tribes, gangs and prison--2 percent of population);
2. My life sucks (I am stuck in the Dumb Motor Vehicle line and can't believe I have to spend my time in this lost triangle of ineffectiveness--25 percent of population);
3. I'm great (and you're not, I am detached from you and will dominate you regardless of your intent --48 percent of population);
4. We are great, but other groups suck (citing Zappo's and an attitude of unification around more than individual competence--22 percent of population) and
5. Life is great (citing Desmond Tutu's hearing on truth and values as the basis of reconciliation--3 percent of population).

This model of organizational culture provides a map and context for leading an organization through the five stages.

## Multiplicity

Xibao Zhang (2009) carried out an empirical study of culture emergence in the Sino-Western international cross-cultural management (SW-ICCM) context in China. Field data were collected by interviewing Western expatriates and Chinese professionals working in this context, supplemented by non-participant observation and documentary data. The data were then analyzed in grounded fashion to formulate theme-based substantive theories and a formal theory.

The major finding of this study is that human cognition contains three components, or three broad types of "cultural rules of behavior", namely, Values, Expectations, and Ad Hoc Rules, each of which has a mutually conditioning relationship with behavior. The three cognitive components are different in terms of the scope and duration of their mutual shaping with behavior. Values are universal and enduring rules of behavior; Expectations, on the other hand, are context-specific behavioral rules; while Ad Hoc Rules are improvised rules of behavior that the human mind devises contingent upon a particular occasion. Furthermore, they need not be consistent, and frequently are not, among themselves. Metaphorically, they can be compared to a multi-carriage train, which allows for the relative lateral movements by individual carriages so as to accommodate bumps and turns in the tracks. In fact, they provide a "shock-absorber mechanism", so to speak, which enables individuals in SW-ICCM contexts to cope with conflicts in cultural practices and values, and to accommodate and adapt themselves to cultural contexts where people from different national cultural backgrounds work together over extended time. It also provides a powerful framework which explains how interactions by individuals in SW-ICCM contexts give rise to emerging hybrid cultural practices characterized by both stability and change.

One major theoretical contribution of this "multi-carriage train" perspective is its allowance for the existence of inconsistencies among the three cognitive components in their mutual conditioning with behavior. This internal inconsistency view is in stark contrast to the traditional internal consistency assumption explicitly or tacitly held by many culture scholars. The other major theoretical contribution, which follows logically from the first one, is to view culture as an overarching entity which is made of a multiplicity of Values, Expectations, and Ad Hoc Rules. This notion of one (multiplicity) culture to an organization leads to the classification of culture along its path of emergence into nascent, adolescent, and mature

types, each of which is distinct in terms of the pattern of the three cognitive components and behavior.

## Change

When an organization does not possess a healthy culture or requires some kind of organizational culture change, the change process can be daunting. Culture change may be necessary to reduce employee turnover, influence employee behavior, make improvements to the company, refocus the company objectives and/or rescale the organization, provide better customer service, and/or achieve specific company goals and results. Culture change is impacted by a number of elements, including the external environment and industry competitors, change in industry standards, technology changes, the size and nature of the workforce, and the organization's history and management.

There are a number of methodologies specifically dedicated to organizational culture change such as Peter Senge's Fifth Discipline. These are also a variety of psychological approaches that have been developed into a system for specific outcomes such as the Fifth Discipline's "learning organization" or Directive Communication's "corporate culture evolution." Ideas and strategies, on the other hand, seem to vary according to particular influences that affect culture.

Burman and Evans (2008) argue that it is 'leadership' that affects culture rather than 'management', and describe the difference. When one wants to change an aspect of the culture of an organization one has to keep in consideration that this is a long term project. Corporate culture is something that is very hard to change and employees need time to get used to the new way of organizing. For companies with a very strong and specific culture it will be even harder to change.

Prior to a cultural change initiative, a needs assessment is needed to identify and understand the current organizational culture. This can be done through employee surveys, interviews, focus groups, observation, customer surveys where appropriate, and other internal research, to further identify areas that require change. The company must then assess and clearly identify the new, desired culture, and then design a change process.

## Mergers, organizational culture, and cultural leadership

One of the biggest obstacles in the way of the merging of two organizations is organizational culture. Each organization has its own unique culture and most often, when brought together, these cultures clash. When mergers fail employees point to issues such as identity, communication problems, human resources problems, ego clashes, and inter-group conflicts, which all fall under the category of "cultural differences".

One way to combat such difficulties is through cultural leadership. Organizational leaders must also be cultural leaders and help facilitate the change from the two old cultures into the one new culture. This is done through cultural innovation followed by cultural maintenance.

1. Cultural innovation includes:
  - Creating a new culture: recognizing past cultural differences and setting realistic expectations for change
  - Changing the culture: weakening and replacing the old cultures
2. Cultural maintenance includes:
  - Integrating the new culture: reconciling the differences between the old cultures and the new one
  - Embodying the new culture: Establishing, affirming, and keeping the new culture

## **Motivation and Job satisfaction**

Job satisfaction can be defined as an individual's overall attitude towards his or her job. It is a positive state resulting from the appraisal of one's job or job experience. It is regarded both as a general attitude as well as satisfaction with specific dimensions of the job such as pay, the work itself, promotion opportunities, supervision, co-workers etc. The degree of satisfaction may vary with how well outcomes fulfill or exceed expectations.

There are various theories of job satisfaction. The human relations movement suggested that real satisfaction with job could only be provided by allowing individuals enough responsibility and freedom to enable them to grow mentally while physical/ economic school emphasized the role of the physical arrangement of work, physical working conditions and pay. In recent years, the attitude of job satisfaction has come to be linked with broader approach to improve the job design, work organization and quality of life.

### **Measuring Job Satisfaction, its Determinants and Consequences**

Measuring job satisfaction has been a challenging process to managers. Several techniques have been developed over the years which are used extensively and are of great importance for practitioners. For instance individuals are made to recall some of the important and critical incidents which have caused satisfaction or dissatisfaction to them and conclusions are drawn from such exercises. In another method a small group of employees are brought together and encouraged to openly share their feeling regarding their job. In group environment people feel free to talk about various things. Researchers have identified several factors leading to job satisfaction which are broadly divided into two categories, namely, Organizational Factors and Individual Determinants.



## Organizational Factors

1. **Reward System:** The organizational reward system has been found to be related to job satisfaction. This pertains to how fairly pay benefits and promotions are distributed.
2. **Work:** The nature of work contributes heavily. The factors such as flexibility, freedom and discretion available in the performance of one's job bring a lot of job satisfaction.
3. **Supervisory Behavior:** Satisfaction tends to be higher when employees believe that their supervisor is competent and considerate.
4. **Working Conditions:** Overall working conditions in an organization have a direct bearing on the level of satisfaction. Comfort, salary, challenge and resource availability are main components of working conditions.

## Individual Factors

Various individual and socio-economic variables are linked to job satisfaction. Researchers have found that younger people are more satisfied. Similarly men are more influenced than women if they are provided more autonomy in their work (Malini 2001).

There is a direct link between job satisfaction and performance of an employee. A satisfied worker makes extra efforts leading to better performance in his or her work. There is higher outcome in an organization if employees are more satisfied. Similarly it leads to decrease in absenteeism if employees are more satisfied in their jobs. It also leads to creativity among employees and better mental health.

## Effective Reward Management

Employee recognition is a communication tool that reinforces and rewards the most important outcomes people create for your organization. When you recognize people effectively, you reinforce, with your chosen means of recognition, the actions and behaviors you most want to see people repeat. An effective employee recognition system is simple, immediate, and powerful tool.

When you consider employee recognition processes, you need to develop recognition that is equally powerful for both the organization and the employee. You must address five important issues if you want the recognition you offer to be viewed as motivating and rewarding by your employees and important for the success of your organization.

Leadership and job satisfaction are interlinked as a well meaning leadership helps the process of job satisfaction among employees by providing a motivating atmosphere. Ordinary workers look up to their leaders and feel immensely satisfied if leaders take them into confidence and share their wisdom and experience. Hence it is essential that people who are managing adult learning centers understand the concept of leadership and its various dimensions.

## **The behavior**

# Group and intergroup behavior

## Introduction

In the workplace much of our social behavior occurs in a group context. So a significant part of our social identity as adults comes from work and the groups in the workplace we identify with. In this chapter, we explore the effects of our group membership on our social behavior. Managerial interest in group working arrangements has increased dramatically in recent years. Collective working arrangements at work are now commonplace. The project group, the corporate management team, the quality circle, the production team, and the shift crew. The notion of employee involvement, also presupposes some form of collective or group identity. The concern with groups is seen in job description and job advertisements, which now often refer explicitly to an ability to work well in a team, to be a “team player”.

Managements increasingly use teams to arrange work around and this is done in the expectation that teams deliver more than individuals, the sum is more than the total of its parts. Team working has, for this reason, had conferred on it almost mythical status as a panacea for motivational and performance problems. One important function of this chapter will therefore be to examine more critically the claims for the benefits of team working. In the psychological literature going back over a century it has been clear that groups often do not perform as well as the same number of individual working alone. For example as long ago as the 1890s a French agricultural engineer, Max Ringelmann, found that a group pulling on a rope exerted only about 75 per cent of the force these individuals produced working separately. Groups have also been responsible for disasters such as Chernobyl and errors of judgment such as the ‘Bay of Pigs’ fiasco. And, as we will see, dysfunctional group relations played a part in one high-profile corporate collapse and in the tragic events at a pediatric care unit.

All of the current interests in teams and team working has its origins in some research carried out in Chicago in the late 1920s through to the early 1940s, and no discussion of teams at work is complete without reference to what became known as the Hawthorne Studies. The research had a profound effect on management thinking and identified very vividly both the

positive and negative qualities of group working arrangements. There is then a important gap between the 'hype' about teams-exaggerated expectations of what they are able to deliver-and what is often the reality. But some of the processes which promote or undermine group effectiveness are well understood and documented, even if not always applied to the workplace. This research will be examined in some detail

However, the first task of this chapter will be to build a good understanding of groups and group functioning. Some of the basic features of groups and teams will be explored and attempts made to answer some of the basic questions about groups. What structures do they develop? What processes shape interaction between team members? How groups relate to one another? Good intergroup coordination can make the difference between a smooth and effective production process and one characterized by conflict and poor performance.

## Group Structure

The structure of a group reflects the basis of group identity-and indeed the very fact that we can speak of a group at all rather than merely a number of individuals. For a structure reflects the established patterns of behavior that are distinctive within a particular group. Structure constitutes a distinctively social aspect of group life, and may act as an objective constraint on members activity. One important aspect of structure consists of the different categories of membership that the different individuals making up the group occupy.

1. Early on in a group's history a group leader will often emerge because he or she is perceived by other members as the most competent at the fictional requirements of the leadership role. The division of status and authority between group leaders and followers that this implies is an important dimension of group structure. These functional requirements are related both to the group's task and to the group's socio-emotional requirement. Behaviors associated with the task include coordinating, imitating contributions, evaluations, information-giving, information seeking, opinion giving, opinion seeking and motivating individuals.

Behaviors associated with group's socio-emotional requirements include reconciling differences, arbitrating, encouraging participation, and increasing interdependence among group members. One individual may be perceived by the group as capable of meeting both the socio-emotional and task requirements of the leadership role. In some groups, however, two leaders may emerge, each with perceived competence in one of these leadership functions.

2. Group members can be defined as individuals who have accepted group goals as relevant and recognize an interdependence with other group members in the achievement of these goals. Acceptance of group goals is associated with an individual's needs ( e.g. subsistence, dependence, affiliation, self-assertion) and the extent to which his or her social identity is derived from membership of the group, Individuals can also decide whether to accept group goals on the basis of a rational estimation of the utility of group membership.

3. Sometimes, however, an individual's personal goals conflict with the group's goals and if he or she is not prepared to modify his or her personal goals, dissatisfaction with the group becomes almost inevitable. The individual is then identified as a deviate. Group members will usually attempt to increase the deviate's acceptance of group goals. Indeed, persuading a deviate to accept group goals can absorb a considerable proportion of a group's time.

4. If deviates resist group pressure and continue to reject group goals, the group will eventually give up on them and they are left alone by other group members. They become isolates. Through they may be tolerated because their output is required, they are unlikely to be included in activities which do not directly involve the task. In extreme cases group members may seek not only the psychological isolation of such individuals but their physical isolation too.

These are some of possible team roles:

1. Coordinator. This is the person who attempts to establish the goals and agenda of the group. He or she will allocate roles and responsibilities and sum up the feelings and accomplishments of the group.

2. Plant. Essentially the plant is the ideas person. Plants thus tend to be more innovative and to search for possible changes in the group's approach to its problems.

3. Implementer. This is the team member who converts ideas and objectives into practical operational procedures. Implementers tend to be task oriented, conscientious, and affinitive.

4. Monitor evaluator. This team member analyses problems and evaluates the contributions of others.

5. Shaper. Extraverted, tense, and defensive, shapers are anxious to prioritize and structure the group's activities.

6. Team worker. Focus on the interpersonal behavior of team members, they encourage participation, arbitrate and harmonize.

7. Resource investigator. Extraverted, imaginative, and stable, resource investigators identify ideas and resources in the external environment which are available to the group.

## Group processes

The process of interaction within groups, which refers to the manner in which group action is constructed on a continuing basis. Unlike structure, process emphasizes changes in the flow of activities indeed group processes indicate how structures become established and how over time they may change. Process also points to the subjective perceptions of group members and their active involvement in group life.

## Synergy

If we consider decision-making within groups, or committees in organizations, the common sense view of committees is that they take a great deal of time to produce poor-quality decisions. Much of the research on groups, however, reveals the opposite, that in most conditions groups outperform even their best members. This phenomenon of groups has been termed synergy.

## Reflexivity

A cohesive group is not necessarily an effective group. Cohesiveness may determine the impact of group norms on its members and can affect how pleasant group membership is. But it is not consistently a good predictor of performance. Michael West and his colleagues suggest the much of the gap between the 'hype' about the benefits of cohesive team working and the reality can be explained by the notion of reflexivity. Reflexivity can be considered as existing along two parameters: task and social.

Indications of reflexive task processes include reflection on:

- Group objectives
- Group strategies
- Group processes
- Environment

Indications of reflexivity on the social dimension of group life include reflection on:

- Social support
- Conflict resolution
- Member development
- Team climate



## Group Innovation

Many see innovation as the key to economic survival in a globalized and competitive market place. A growing body of research has explored the factors determining the innovativeness of work groups. A number of factors at the individual, group, and organizational level have been viewed as possible candidates for explaining this seemingly crucial workplace phenomenon. Innovation stems from creativity one of the most complex and elusive of all human qualities. In addition in the workplace innovation is not simply a question of individuals being creative. Other people have to take notice of what we are saying and be prepared to help in the implementation of the idea .

## Groupthink

One notable disadvantage of groups which are highly cohesive but not reflexive is that their decision-making ability can be drastically reduced by what Janis (1972) termed groupthink. He defined this as a deterioration of mental efficiency, reality testing, and moral judgment that results from in-group pressures. In other words, the pressures of conformity that can arise in highly cohesive groups reduce reflexivity, clouding members judgment and their ability to reach a correct decision.

## Group polarization

Another common-sense assumption about groups is that they are inherently more conservative than individuals when it comes to taking decisions that involves risks. Again research evidence appears to undermine this. A substantial number of early studies show that groups tend to make more extreme decisions compared to the same decisions made alone by individual group members. Since the group seemed to shift towards risk in its decisions it was called risky shift. More recently, however, a number of studies have demonstrated that groups could also show opposite tendency, a caution shift. Nowadays it is generally accepted that what is termed group polarization, the tendency for group decision to be more extreme than those of individuals, is responsible for both sets of finding.

## Conclusion

The conclusion which flows from much of the evidence examined in this chapter is that groups and team working arrangements have profound and complex effects on individual's perceptions, attitudes and ultimately behavior. Group membership appears to fulfill basic psychological needs, some of which may lie in subconscious or have biogenetic origins. But group membership is not necessarily beneficial, either for individuals or the organizations they work for. This is because, as we have seen, group membership can cause distorted perceptions of reality. The social identities our group memberships give rise to can be at the root of our willingness to stereotype and discriminate against non-group members. In addition, competitiveness with other groups, encouraged by a strong group identity, can be dysfunctional if, for example, both groups are part of the same organization. Cooperation can be replaced with factionalism and obstructiveness whenever separate group identities are invoked.

Within a group, the dependency and conformity which group membership can engender can stifle originality and innovativeness-qualities now presumed to be increasingly crucial for economic survival. Many of the worst errors of judgment which were at the root of notable disasters such as Chernobyl and the Bay of Pigs have come from group decisions.

# Organization Culture

## Introduction

Originally an anthropological term, culture refers to the underlying values, beliefs, and codes of practice that makes a community what it is. The customs of a society, the self-images of its members, the things that make it different from other societies, are its culture. There are objective factors at work here, in the sense that social beliefs constrain behavior, but culture is also powerfully subjective. It reflects the meanings and understandings that we typically attribute to situations, the solution that we apply to common problems. Being a 'member of society' means that we have acquired core values through the process of growing up and being socialized. Large swathes of our culture are taken for granted-we are more or less unconscious of the huge fund of meanings and ideas that we hold in common with others. But these social bonds and common knowledge remain integral identity and sense of personal cohesion.

## Culture and the management of change

Cultures are resistant to many forms of attempted change, but they can also be amazingly dynamic. In the right circumstances, 'tradition' can be adaptive and self-modifying. Indeed, if real change is to occur in organizations-rather than cosmetic or short-lived change-it has to happen at the cultural level. Given the past failures of management theory, corporate culture therefore has many powerful attractions as a lever change, the problem is how to get a band on the lever.

- First, the case has been argued that cultures can be explicitly created. Understanding culture and being able to change it are crucial both to market success for company and to career success for the individual. In this sense, successful companies are not shy about promoting their heroes and symbols. Writers like Peters and Deal and Kennedy also dispel any ideas about culture being 'soft'. Strong-culture companies do not generate cozy sets of values that make people committed by making them more happy and content. Such companies are not particularly tolerant of those

who reject core values. A strong culture creates powerful behavioral expectations and constraints, more so than any formal structure of procedures and rules.

- Second, all of the main management writers are clear that the ability in companies to be culturally innovative is strongly related to leadership. Top management must take responsibility for building strong cultures that fit market needs. Deal and Kennedy, for example, supplemented their survey of senior management with biographical material on business leaders, and found that people who pioneer successful companies rarely operate on a narrow economic or administrative front. Rather, they are obsessed with developing values and acting as role models. In particular, the concept of 'transformational leadership' stresses that the role of leader extends beyond that of the rational analyst. Leaders construct the social reality of the organization for members they shape values and attend to the drama and vision of the organization. As Peters notes, the leader is 'orchestrator and labeler' taking that can be gotten in the way of action and shaping it—generally after the fact—into lasting commitment to a new strategic
- Third, culture is frequently counters posed to formal rationality. As Kanter notes, organizations need to be 'conscious of themselves as a culture, not just as a technical system'. In this sense culture helps to resolve the dilemma of bureaucracy: formal procedures are necessary for business integrity and planning, but they also stifle autonomy and innovation. Peter especially is highly critical of the 'rationalists' who for so long have dominated management theory and who endlessly recommend complicated systems and technical fixes. But culture can hold bureaucracy at bay. The stronger the corporate culture, the less need there is for detailed procedures and rules, because culture itself guides action. Thus firms are able to have proper administrative back-up and engage in formal planning without these becoming ends in themselves.

## Exploring organizational culture

Attempts to define organizational culture have adopted a number of different approaches. Some focus on its manifestations-the heroes and villains, rites and rituals, myths and legends that populate organizations. Others emphasize the stocks of collective knowledge that members hold. These make up the institutional memory of the organization and make action possible. Culture is also socially constructed, it reflects meanings that are constituted in interaction and that form commonly accepted 'definitions of the situation'. Rather than try to cover all this ground in a single statement, however, a better understanding might be gained by sifting out some of the basic attributes of the concept

### Culture is symbolic

When people are asked what the organization they work in is 'really like' they may attempt to respond in general terms. But if that fails they usually start telling stories-they describe a particular person, or recount an anecdote that they feel is somehow typical of the organization. In this sense the stories and legends, which all organizations have, seem to say something deeper, they are the symbols of the representations of culture.

### Culture is unifying

Secondly, culture refers to processes that bind the organization together. In this sense, cultural processes stand opposed to the many forms of conflict that occur in organizations. Although conflict is certainly an ever-present reality, culture represents an equally real and valid alternative face of organization. Culture is consensual. The idea of corporate culture reinforces the unifying strengths of central goals and creates a sense of common responsibility which is why it has assumed such an important place in management thinking.

## Culture is holistic

Culture refers to the essence, the reality of an organization what it is like to work there, how people deal with each other, what behaviors are expected. Before the culture concept was widely employed, the term organizational 'climate' was often use, this was vaguer but also referred to the experience of being part of an organization.

## Conclusion

Culture spans the range of management thinking, and organizational culture has been one of the most enduring buzzwords of popular management. Yet a concern with culture has also characterized some of the deepest thinking and most influential figures in management theory. Why? What is the appeal of the concept?

Organizational culture is apparently unifying, and this strongly appeals to management's concern with projecting an image of the organization as a community of interests. Also the concept itself promotes an awareness of other industrial and national cultures(Japan, the Pacific rim) that seem to have been particularly successful in growing innovative work systems. Perhaps most importantly, culture penetrates to the essence of an organization-it is almost analogous with the concept of personality in relation to the individual- and this acute sense of what an organization is-its mission, core values- seems to have become a necessary asset of the modern company. In highly competitive and brand-conscious times, a clear statement of the image and values of a company is now deemed an essential part of its strategic apparatus

These elements are broadly in line with other aspects of current managements thinking  
Many of the new objectives that organizations have embraced such as commitments to quality and the customer are deeply embedded in organizational values. Unlike traditional financial or output goals, something like customer care is all about commitment and employee behavior, not something that can be forced on employees or even easily measured.

That said, there are also manifest limits to the extent to which 'culture' can be appropriated within an organizational framework. An organization may appear to have a unifying or organic culture, but this may merely be the view from the top. From other vantage points, from the shop or officer floor, the middle and junior strata of management, the different employed professions, the scene may appear more fragmented. What they see may be a set of occupational identities and subcultures that may even be the basis of resistance. Relatedly, there is the vexed question of whether or not organizational culture can be managed. Academics interested in understanding and analyzing culture tend to say no. On the other hand, the question does not go away, as there are considerable rewards for harnessing these portent social forces to corporate goals. While there may be no definitive answer to these questions, the critical and the managerial sides of the debate inform and renew each other, so it remains important to explore both.

# **Impact of Personality on Performance**

## **Introduction**

Personality factors are extremely important in organizational settings. Often the 'wrong' kind of personality proves disastrous and causes undesirable tensions and worries in an organization. The costs of such tensions and worries are enormous when we interpret them from the point of view of employee-employer relations, peer relations and superior-subordinate relations. Sometimes, the personality difficulties are the root cause of organizational conflicts and often lead to turnover and job dissatisfaction. Some people arouse hostility and aggression in their associates, while others invoke sympathy and supportive responses because of their personality features. Likewise, some people encourage and others discourage free and open communication in view of their personality traits as perceived by their subordinates and associates.

## **Concept of Personality**

Though the term personality is frequently used by people there does not seem to be any consensus about its meaning. It may mean different things to different people. To some, it means a general sum of traits or characteristics of the person; to others, it refers to a unitary mode of response to life situations. Thus, there prevails a great deal of controversy over the meaning of personality.

## **History of the term "Personality"**

The word "personality" has been tracked back by etymologists to the Latin word "per" and "sonare". The "per sonare" means, "to sound through". The word persona derives from these two words and originally meant an actor's mask, through which the sound of his voice was projected. Later persona was used, to mean not the mask itself but the false appearance, which the mask created. Still later it came to mean the characters in the play (dramatic personae). It is interesting to note that the word personality by derivation should mean, "what an individual only appears to be, not what he really is". This meaning is almost the exact opposite of what the word means in modern psychology.



## Personality

Behavior involve as a complex set of interactions of the person and the situation. Events in the surrounding environment (including presence and behavior of others) strongly influence the way people behave at any particular time; yet people always bring something of their own to the situation. This 'something', which is unique, is what personality is.

## Determinants of Personality

Managers can deal more effectively, then, if they understand how an individual's personality develops. The major determinants of personality of an individual can be studied under four broad headings:-

- a) *Biological Factors,*
- b) *Cultural Factors,*
- c) *Family and Social Factors, and*
- d) *Situational Factors.*

### a) *Biological Factors*

Heredity is the transmission of the qualities from ancestor to descendant through mechanisms lying primarily in the chromosomes of the germ cells. Heredity predisposes to certain physical, mental and emotional states. It has been established through research on animals that physical and psychological characteristics can be transmitted through heredity.

#### Brain

The second biological factor is brain which is supposed to play role in shaping personality. Though not conclusive as yet, physiologists and psychologists have studied the structure of human brain and have divided it into two parts- left hemisphere which lies in the right side of the body and right hemisphere which lies in the left side of the body. Depending on the structure of the brain, an individual's personality develops.

#### Physical Features

The third biological factor determining personality formation is physical characteristics and rate of maturation. An individual's external appearance, which is biologically determined, is an important ingredient of personality.

### b) *Cultural Factors*

Culture is the underlying determinant of human decision making. It generally determines attitudes towards independence, aggression, competition, and co-operation. Each culture expects and trains its members to behave in the ways that are acceptable to the group.

### c) *Family and Social Factors*

The development of the individual proceeds under the influence of many socializing forces and agencies from nuclear family to more distant or global groupings. These groups have their impact through socialization and identification process.

**Socialization Process** The contribution of family and social group in combination with the culture is known as socialization. In the words of Mussen "socialization is the process by which an individual infant acquires, from the enormously wide range of behavioral potentials that are open to him at birth, those behavioral patterns that are customary and acceptable according to the standards of his family and social group."

**Identification Process** Identification starts when a person begins to identify himself with some other members of the family. Normally a child tries to emulate certain actions of his parents.

### d) *Situational Factors*

Apart from the biological, sociological, and cultural factors, situational factors also determine personality development. The S-O-B model of human behavior considers the situations under which the behavior is occurring. For example, a worker whose personality history suggests that he had need for power and achievement, may become frustrated and react apathetically and aggressively if he is put in a bureaucratized work situation. Thus he may appear lazy and trouble-maker through his personality history may suggest that he is very hard working and striving to get ahead. Thus, because of changed situation, his personality suggests that he is very hard working and striving to get ahead.

## Personality and Behavior

Will it be true to say that personality and behaviour have an impact on the work performance? The answer to this is a big "YES" Personality has a key influence on the work performance of any individual. At workplaces, particularly with high human relations content, where most of the working day is spent interacting with other people, personality is a major determinant of what will be done and how it will be done. Each man's personality reveals itself in the way he works with his superior, his subordinates and with his fellow colleagues. Some of the important personality factors that determine what kind of performance will be achieved or what kind of behavior is exhibited at work. The following are the important factors:

Self-concept is the way individuals define themselves as to who they are and derive their sense of identity. Self-esteem denotes the extent to which they consistently regard themselves as capable, successful, important, and worthy individuals. Self-esteem is an important personality factor that determines how managers perceive themselves and their role in the organization.

## Need Patterns

According to the personality characteristics, there are four types of needs that people have at work. These are: needs for achievement, affiliation, autonomy, and dominance. Those who have high need for achievement engage themselves proactively in work behavior in order to feel proud about their achievements and successes; those having high need for affiliation work co-operatively with others; those having high need for autonomy like to work in an environment with less close supervision; and those with high need for dominance are very effective in an environment where they can actively enforce their legitimate authority.

## Machiavellianism

Machiavellianism refers to manipulation of others as a primary way of achieving one's goals. Mach scale measures the extent to which an individual tends to be Machiavellian. People with high score on mach scale, tend to be cool, logical in assessing the system around them, willing to twist and turn facts to influence others, and try to gain control of people, events and situations by manipulating the system to their advantage.

## Focus of Control

Locus of control means whether people believe that they are in control of events, or events control them. Individuals who have a high internal LOC (internals) believe that their own behavior and actions primarily, but not necessarily totally, determine many of the events in their lives. On the other hand, individuals who have a high external LOC (externals) believe that chance, fate or other people primarily determine what happens to them.

## Tolerance of Ambiguity

Based on personality characteristics, some people can tolerate high level of ambiguity without experiencing undue stress and still function effectively while people who have a low tolerance for ambiguity may be effective in structured work setting but it is almost impossible to operate effectively when things are rapidly changing and much information about the future turn of events is not available.

## Type A and B

Personality has been grouped into two categories denoted by alphabets A and B. Type A people always feel a sense of time urgency, are highly achievement-oriented, exhibit a competitive drive, and are impatient when their work is slowed down for any reason. On the other hand Type B people are easy-going, do not have urgency for time and do not experience the competitive drive.

## Introversion and Extroversion

Introversion is the tendency in individuals which directs them to turn inward and experience and process feelings, thoughts and ideas within themselves. Extroversion refers to the tendency in individuals to turn outward of themselves searching for external stimuli with which they can interact.

## Work-ethic Orientation

People may have different Work-ethic Orientation. The extremely work-ethic-oriented people get greatly involved in the job and live up to being described as living, eating and breathing the job. For such people, work becomes the only consideration of satisfaction and they have very little outside interests.

## How Much Does Personality Influence Job Performance?

A person's personality may not necessarily have a very high impact on a person's job or productivity per se, depending on the type of work being done. As discussed by Sean P. Neubert, the notion that salespeople who exhibit high levels of extraversion will have better overall job performance is pretty evident, for being a salesperson requires a lot of social interaction, and an introverted salesperson would obviously be less effective than an extravert. Given that point, another point brought up is about conscientiousness in addition to extraversion and its positive correlation with job performance in terms of the social atmosphere present in most workplaces: a conscientious person is obviously more likely to be a more productive worker and an extraverted person will experience an optimal level of arousal in a social workplace. Personality influence would perhaps become less palpable if an individual's place of work is not a highly social arena or the job is non-traditional.

If one's job does not require constant or high levels of social interaction, then one's cognitive ability can become a much greater factor. Depending on the type of job one holds, one's personality may have very little impact on the quality of work being done or other job performance indicators. As mentioned by Neubert, a job such as a writer may not necessarily require high levels of extraversion. Other types of jobs that do not require direct social interaction are probably similar in terms of cognitive abilities or other factors affecting overall job performance.

Openness to experience has not been shown to correlate significantly with job performance. This may seem counterintuitive, because openness to experience is sometimes also referred to as intellect, and cognitive ability and intellect are presumably related. One's openness to experience should be indicative of creativity and originality; consequently, there may be a direct but unobvious connection to job performance in terms of creating and trying new things that may improve personal productivity or otherwise may even affect general productivity on a greater scale--for example, a new way of doing things may improve operation of an entire company. Openness would also then tie into working with other people--for example, a person who is more open to experience would be willing to try out new and different ideas presented by coworkers. Openness may not relate to job performance due to limitations in the methodology of past research, lack of a high enough correlation to reach statistical significance, or even perhaps because there really is no direct relation between openness to experience and overall job performance.

People's personalities obviously have an impact on many, many things that they do, if not everything. How profound the effect of personality is on job performance depends of course on the unique facets of an individual's personality. Does personality have a great impact on overall productivity in a social workplace? Yes, it does. Cognitive ability, however, has been shown to be more positively correlated to actual task performance. From this fact, one can argue that personality comes into play again, because if one is unwilling to perform the task and lacks conscientiousness, then the job will not get done, regardless of potential ability. Social aspects of many traditional work environments may overshadow some other unseen factors that affect overall workplace productivity. More research needs to be conducted on other types of work environments.

## Conclusion

Based on the above discussions, some conclusions can be drawn about the desirable personality characteristics for effective managers. An employee at any managerial cadre i.e. top level, operative or middle level and lower level will possess Adjustment, Sociability, Conscientiousness, Agreeableness and Intellectual Openness. Though, the level of these characteristics will vary as per the personality of an individual. At the end we can say that personality definitely plays an imperative and a critical role in the work performance and progress of an employee or an individual.

# Stress on Business

## Stress Levels of Business Owners and Employees

### Types of Stress

There are three types of workplace stress: economic, business and personal. A recession places economic stress on a business because the normal sources of capital and revenues dry up as banks refuse to loan money and customers stop buying. Business stress relates to the internal difficulties a company may experience in producing a quality product fast enough to meet demand or reorganizing its operations in order to improve the quality of its product. Personal stress affects business owners and employees alike. It is a result of long work hours, pressure to succeed and family and health concerns.

### *Business Owners*

Business owners carry the burden of managing the company so it grows and produces enough revenue to pay employees and the owner. Inherent in that burden is the stress of dealing with day-to-day problems caused by breakdowns in plant and equipment, industry competition, transaction failures, slow customer payments, lawsuits, and employee problems. When the economy is booming, there is stress in keeping the company producing at a fast enough pace to meet demand for its products and strategic planning to take advantage of the opportunities presented to grow the company during good times. A recession can threaten a company's survival. These problems are particularly difficult for many business owners because they are compounded by the necessity to lay off workers or reduce their pay. Often, the business owner goes without pay in order to make ends meet when business is slow.

### *Employees*

Employees are affected in the workplace by role stress, personality conflicts, task overload, job dissatisfaction, management decisions, pressure to perform, and more personal stresses such as financial difficulties, poor health and family problems. Employees express their stress by exhibiting poor attitudes at work to make up for their feelings of vulnerability to the whims of management and lack of power to affect change in their work situations. The

business owner's difficulty dealing with the pressures of running a business often directly affects the level of employee stress. Additionally, poor management decisions that fail to take into account the reality of how they affect the work process and employee performance generate significant employee stress. During recessions, employee morale is also affected by the fear of job loss.

### *Attitudes*

Attitudes toward stress management differ between management and labor. The Center for Disease Control performed a study in 1987 that defined the attitudes toward workplace stress held by corporate management versus those held by labor unions. The corporate approach placed responsibility for stress management on the employee and encouraged diet, exercise, behavior modification, and company programs to provide gym facilities and nutrition counseling. Labor, on the other hand, emphasized health and safety clauses in contracts and encouraged the creation of committees to enforce the terms of these contracts. The study found that this politicization of workplace stress to suit the needs of each side of the employer/labor relationship caused even greater stress, particularly among employees.

### *Solution*

The GTI study found that in countries where business culture promoted annual vacation time of over twenty days the levels of stress experienced by business owners and employees was lowest, while in countries where the business culture frowned on taking time off, the stress level was highest.



## Top 10 Causes of Workplace Stress

### 10. *"The treadmill syndrome"*

Employees who consistently have too much or too little to do creates a lot of stress. Some employees are highly stressed because they simply have too many responsibilities. Others work around the clock, not necessarily on the clock, but throughout the day and at home. These are generally the employees who have too much to do and too many responsibilities. Solution: You can control stress caused by the treadmill syndrome by making sure work is evenly divided and properly prioritized. Sometimes you can save money by hiring additional employees and reducing the additional costs of excessive stress.

### 9. *"Random interruptions"*

Interruptions keep employees from getting their work done - telephones, walk-in visits, supervisor's demands. Solution: You can control this type stress by encouraging proper time management, delegation of responsibilities and clarification of expectations.

### 8. *"Pervasive uncertainty" Uncertainty is created by constant, unsatisfactorily explained or unannounced change.*

Solution: Keeping everyone well informed can reduce stress and improve productivity. Take time to meet with people and put the details in a written memo so they can review the facts after the emotions cool down.

### 7. *"Mistrust, unfairness, and office politics"*

These situations keep everyone on edge and uncertain about the future. Management of trust and fairness is just as important as any other management tool. If people cannot trust management, performance goes down. And, everyone is affected if even one employee is treated unfairly. Solution: You have to make sure everyone is treated fairly - in fact and in perception. Word spreads quickly, and everyone sympathizes with the "victim," as they see it. They feel they will be treated the same way. Unfairness can also be seen in management's acceptance of those who thrive on office politics. Solution: Do not reward office politics in any way. Verbally reprimand those who are negative about others or those who spread

rumors. If their statement isn't uplifting, don't let them make the comment about others. If you fail to take action, morale goes down and stress goes up.

6. *"Unclear policies and no sense of direction"*

Lack of focus causes additional uncertainty and undermines confidence in management. Solution: Clear communication of policies and company goals is required, and it must go beyond the management level. Not all middle managers are good at communicating these important subjects, so top management must communicate in a such a way that everyone is clear on where the company is going and what company policies are enforced. Use memos, articles, personal meetings, small groups, announcements and anything else that reinforces your policy. Repetition is important. Actions consistent with policy are more important as the words.

5. *"Career and job ambiguity"*

If people are uncertain about their jobs and careers, there is a feeling of helplessness and of being out of control. This goes beyond the job description and annual performance review. Solution: People want to know that their job is secure and know what is expected of them. Many employees also want to know about career progression and what they must do to advance. Keep people informed of business situations, threats, and obstacles that must be overcome. They'll find out through the grape vine if you don't tell them. There is no such thing as a secret, so be right up front with everyone. You don't want to be an alarmist, but these people have families to take care of. Some of them are applying for mortgages, loans, and other financial commitments that they might not make if they are as fully informed as you are.

4. *"No feedback - good or bad."*

People want to know how they are doing, and whether they are meeting expectations. If you don't communicate your thoughts on their performance, they are stressed about how well they are doing. Solution: Daily or weekly confirmation can help reduce stress significantly. Managers who wait until year end to explain job performance are about 51 weeks too late.

3. *"No appreciation."*

Failure to show appreciation for employee participation generates stress that endangers future efforts. Solution: Daily, weekly, and monthly appreciation will help reduce stress and increase profits.

2. *"Lack of communications" Poor communication up and down the chain of command leads to decreased performance and increased stress.*

Solution: Just as it is important to keep people advised of company policies and changes they can expect, management needs to listen to employees. Improved communications up the chain of command can give people a chance to pass along ideas, suggestions, and complaints, reducing stress and helping achieve more.

1. *The greatest stressor in the workplace is "lack of control."*

Employees are highly stressed when they feel like they have no control over their participation or the outcome of their work. Solution: Savvy managers know the value of employee suggestions, comments, and input on the business as they participate. Very few managers know as much about the individual jobs as those doing the work day after day. Stress control is a leadership responsibility. Those who ignore prevailing stress levels are negligent in their duties. Grasping the concepts and reducing stress one step at a time can have an amazing impact on the bottom line and on the lives of those who do the heavy work.

## How Does Employee Stress Affect the Organization?

As the economic environment places more pressure on businesses to succeed, competition becomes fierce. Business owners may face brutal burdens to keep their companies functioning at a profit, and a trickle-down effect can occur resulting in the creation of employee stress. If not addressed, the stress experienced by workers can work against attaining business goals. Managers and business owners can ward off the potentially negative organizational effects of employee stress by becoming familiar with the signs of stress in business and implementing some simple remedies.

### Effects of Stress

Your organization may experience a variety of negative effects as a result of stressed workers. You might notice an increase in instances where an employee becomes argumentative or easily agitated. He may exhibit a change in behavior, such as smoking heavily or eating unhealthy foods. The staff member may make more mistakes and demonstrate a general decline in performance. Frequent absenteeism or being late to work may also be stress indicators. Your business can suffer dramatically from a resulting lack of customer service, uncompleted projects, orders not being placed or a noticeable decline in sales.

### Causes

Work-related stress can occur when employees feel they are not being fairly compensated or sense a lack of respect from their peers or managers. An over-abundance of rules or a lack of opportunities for advancement can contribute to the creation of stress. Employees may become stressed if they are not provided with a means to air their concerns, or if management is consistently unclear in communication. Employees who are micro-managed and who are not empowered to make decisions frequently experience stress. Team members who consistently experience a work environment where they do not feel valued may not be compelled to work to their potential. The result may reflect a business that is not achieving its financial or strategic goals.

## Other Effects

Stress can also produce “counterproductive work behaviors,” which may include personality changes in employees, disrespect for coworkers or customers and exhibiting extreme anger toward managers. At some point, employees might begin disregarding safety procedures and company policies, thus jeopardizing themselves or others in the workplace. Stress in employees can also be brought on by personal issues occurring outside the business. Your company may suffer a loss in revenue if customers stop frequenting your business because of continual exposure to the adverse impact of employee stress.

## Stress Management

You can help your employees avoid stress, and thus maintain business objectives, by providing workers with the means to communicate issues that bother them. Regular performance reviews, options for career development and a sense of autonomy in their jobs enable staff members to enjoy their work. You might make lifestyle coaching available as part of employee benefits, offering healthy ways to mitigate the onset of stress. Recognizing when an employee is overburdened with ongoing projects and then arranging for assistance for the worker is a simple stress-reduction measure. Making an effort to create an enjoyable work environment will positively affect employee productivity and your business.

## Some stats...

- Major corporations have recognized that stress management training can be extremely cost effective. It reduces lawsuits, employee absenteeism, work injuries, health costs, and worker turnover. Plus it improves quality and productivity.
- Stress is said to be responsible for more than half of the 550,000,000 workdays lost every year, just from absenteeism not stress related illness. A million workers a day are estimated to miss work due to stress problems.
- Burnout - a reaction to job stress, disables/handicaps almost half of all American workers.
- 60 to 80% of all industrial accidents are due to stress.

- Workers' comp payments for job stress, have risen steeply in the last 20 years and may even bankrupt the system in some states. Employers in California have paid out almost \$1 billion for job stress legal and medical. Job stress lawsuit payoffs average 4 times the amount of regular injury claims - and 9 out of 10 suits are successful!
- 40% of employee turnover is due to job stress. Xerox estimates costs to replace high level executives are about one to one and a half million dollars, and that worker turnover average costs are between \$2,000 to \$13,000 for each worker.
- Workplace violence is skyrocketing. Most are directly related to stress. Imagine - nearly two million assaults, killings, and sexual assaults! Murder is now the second leading cause of occupational fatal injuries amongst both sexes, and the leading cause of death for women in the job-place.
- Stress management, stress reduction, and stress relief can prevent so many problems. And prevention is far less costly, and far easier, than the alternatives.

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