

**SWP 46/90 ORGANISATIONAL BEHAVIOUR: PEOPLE, GROUPS
AND ORGANISATIONS AT WORK**

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15 Sept .

Forthcoming in Principles and Practice of Management, Longman Pool, 1990

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Chapter 3

Organisational behaviour: people, groups and organisations at work

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3.1 Introduction

If management is "the art of getting things done through people" (Drucker), then managers will be interested in the way people in organisations behave. The field of organisational behaviour seeks to observe, understand and predict the way people behave in organisations. For many managers a further concern is a desire to influence behaviour at work, either towards management goals or to allow individuals to discover satisfaction in their work or indeed both.

While we can look at the ways individuals behave at work, we need to beware of the trap of thinking that we will ever be able to predict the behaviour of any one individual in a particular situation or at a particular time with any degree of confidence. Even when it seems that the individual will be in the exact situation again we can find that their reactions quite different. We experience the unpredictability of individuals in every part of our lives and so shouldn't be surprised by it at work.

Studying individual behaviour in organisations can lead us only to general principles about what most people with particular backgrounds will do most of the time in similar situations. The generalisations are still helpful because we often have to deal with groups of employees or customers in circumstances that make it impossible to treat them as individuals.

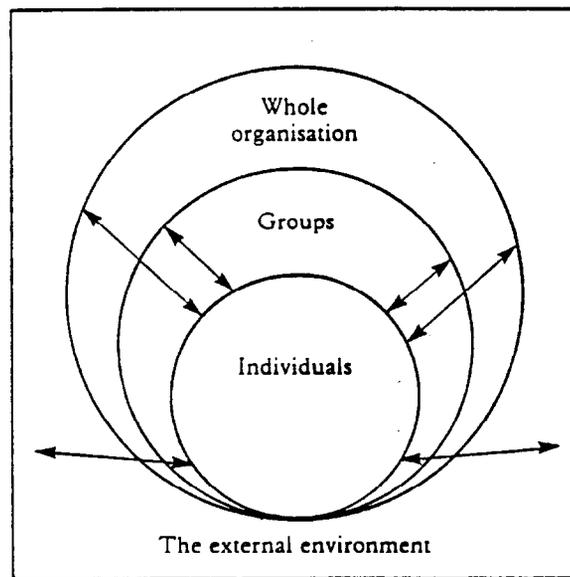
An example would be the design of remuneration and reward systems for manual labour. We are able to predict that at some levels of income most labourers will choose to work overtime if offered double time. Some individuals will never respond by working and some will occasionally. It is still useful to understand motivational drives and needs in deciding whether to offer premium rates.

Any attempt to treat individuals in a purely mechanical way is naive. It denies the rich diversity of the human race and can be demeaning, implying that human beings are either cheap complex machines or highly trained monkeys!

Hardly anyone works in complete isolation from other people. Most individuals in organisations work with other people. Often they work fairly consistently with the same group. Sometimes a company decides who will work with who and effectively form groups. Often, individuals come to see themselves as a group. When a group develops, either by management design or informally, their individual behaviour is influenced by the group. Any attempt to understand the behaviour of individuals leads us to study the dynamics of groups and their effect on individuals. The third level of study is of "groups of groups" (either whole organisations or large parts of organisations).

Fig. 3.1

Individuals, groups and organisational behaviour



At the organisational level we may be concerned with formal aspects: structure and design, how an organisation relates to its environment, what sort of place it is to be in (corporate culture), formal authority or how organisations deal with conflict, change and development.

Any attempt to explain how people behave at work must also take account of wide influences and situations outside the organisation.

This part of the book first considers a number of aspects of individuals at work, then moves to groups at work and finally, but only briefly, looks at the whole organisation level. The whole organisational level is dealt with more significantly in the Organisation Theory chapter.

3.2 Individuals at work

Performance

The behaviour and performance of subordinates is of lasting concern to managers at every level. In attempting to meet any organisational objective people are crucial to success.

People "concerns" vary enormously in size and complexity and they change from time to time with individuals and circumstances. Performance concerns are in fact behaviour concerns, since all success in an organisation depends upon the behaviour of individuals.

Fig. 3.2

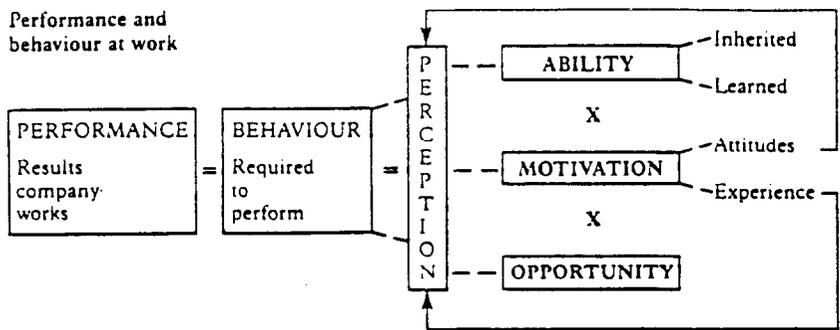
Performance concerns are endless and could include:		
		(You may care to add your own performance concerns)
• punctuality	• loyalty	• _____
• dress	• creativity	• _____
• absence	• imagination	• _____
• co-operation	• sales volume	• _____
• effort	• net profit	• _____
• accuracy	• company growth	• _____
• new accounts gained	• personal hygiene	• _____
• motivation of staff	• quality of training	• _____
• theft	• return of assets	• _____
• waste/damage		• _____
• commitment		• _____

To influence performance we need to understand the factors which influence the behaviour of people at work and then to influence these factors.

Behaviour, and so performance, at work is largely a result of an individual's capacity to behave in the way required, plus the motivation to do so and the opportunity to behave in the expected fashion. All three factors are moderated by the way the individual perceives the world at the time and by many other surrounding influences.

The diagram in Fig. 3.3 shows a "multiplication" effect. A 20 per cent increase in ability will be multiplied through the existing motivation and opportunity, giving an enormous increase in overall output. To illustrate this point let us give a value of 10 each to ability, motivation and opportunity. If these are multiplied we have a performance factor of 1000. If we increase motivation by 10 per cent (ie to 11) the increase output will rise 100. This illustrates the dynamic and sensitive nature of changes in the factors affecting performance and show why seemingly trivial interventions by managers can have large and far-reaching effects. Any manager seeking to increase performance will be interested in how to change or at least influence these factors.

Fig. 3.3



Performance and ability

By saying that someone has more of an ability than another does not imply that they are in any overall sense more valuable as a person. They just have a different set of characteristics. Most human characteristics are distributed "normally" within the population. If we take height, weight, intelligence, life expectancy, motivation, amount of sleep required and many other characteristics and plot the number of people who have a particular amount of the characteristics, we find a bell-shaped normal distribution in which the bulk of the population clusters near the centre of the curve. Abilities of interest to us as managers will often be distributed normally among the population and will clearly affect the performance possible from an individual.

Ability - inherited or learned?

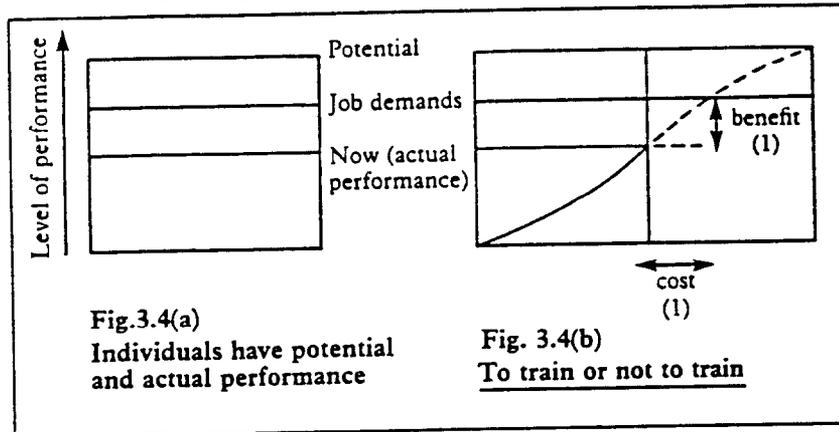
Endless words have been written and spoken about where the differences between individuals come from :-"nature vs nurture" argument. The main argument is over two apparently opposing views of human nature. The first is that intelligence and other characteristics are genetically inherited and so, by implication, are largely fixed. The saying - "You can't make a silk purse out of a sow's ear", comes from that point of view. The second is that people are merely biological blob, solely a reflections of their environment, upbringing and previous experience, and so are infinitely developable.

The assumption of "fixed" characteristics leads to a heavy emphasis on recruiting the right people for organisational roles, rather than an emphasis on the training and development of individuals. Acceptance of the environmental hypothesis leads to an emphasis on training and education with a belief that, as organisations change and grow, individuals can easily be developed and take on more responsibility.

Although the two hypotheses are useful as ideal types to illustrate emphases, both (at their logical extreme) represent unrealistic views of people. It is far more useful to think of a genetically limited "potential" within which an individual may grow and be developed than to take either nature or nurture to their extreme position.

The idea of potential (Fig. 3.4(a)) suggests that there is a limit beyond which it is impossible for an individual to develop. It also accepts the idea that individuals can not only learn and grow but that most people have great untapped potential.

If we superimpose a learning curve on the potential diagram (Fig. 3.4(b)) it will be the beginning of a S-shaped curve which shows slow return for training and learning effort (which in business relates directly to \$ cost) early on, a rapid return in the central parts and then a diminishing marginal return to investment later.



In our example (Fig. 3.4(b)) the job demands are within the potential of the individual and so training is possible to bridge the gap. The standard required falls within the steeply sloping part of the curve and cost (1) may be balanced by benefit (1). To continue to develop to full potential is also possible in this case. It is, however, less worthwhile than the initial investment in training and is unnecessary for the current job. An investment in another individual may yield a better return. Cost-benefit considerations are the key to the decision.

Another aspect of the cost-benefit equation arises from the possibility of hiring someone already at the required skill level - and also having someone whose potential is below that required to do the job. The first will increase the stock of ability in the company (all other things being equal) but the second will tend to lower the levels of skills, behaviour and performance.

To develop skills far beyond those needed in a job (unless a career path exists) can lead to personal frustration, dysfunctional behaviour, reduced motivation and lower output. It often leads to labour turnover. For the full use of ability opportunity is needed as well as motivation.

To increase the stock of ability in the workforce, the choices are:

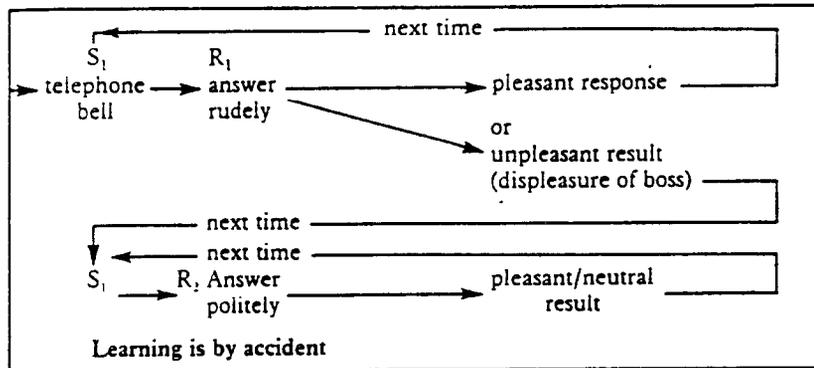
- (1) Buy in people who have more ability already.
- (2) Spend more time and money on Human Resource Development (Training).
- (3) A combination of both, based upon cost-benefit analysis.

Changes in behaviour - learning

Learning has occurred when "a more or less permanent change in behaviour as a result of experience" has taken place. Learning is not primarily about teaching - it is about changes in behaviour as a result of experience which may or may not include teaching or formal programmes.

Most learning takes place by accident. It is largely trial and error. In any situation we respond to a stimulus and the effect of our response will give us satisfaction or not, depending on its appropriateness. When faced again with a similar situation we will tend to be influenced by our previous experience. This is simply illustrated in Fig. 3.5.

Fig. 3.5



Learning has taken place, ie we have changed our behaviour as a result of experience. Most of our learning takes place in this experimental and experiential way. This type of learning can, however, be extremely inefficient, costly and even dangerous. Some skills and behaviour not properly carried out will put other workers in physical danger. It is obviously sensible to suggest appropriate responses and behaviour to individuals, to reduce the need for experimentation and inappropriate responses.

Repeated experience is often overvalued. Thirty years' experience may sometimes be one year's experience repeated 30 times with little extra learning. The law of diminishing margin returns will operate.

If we can plan, structure and sequence a person's work experience we can lead them to discover things in a particular order and way, which may make them effective in their job very much more quickly than otherwise.

Conditioning and behaviour modification

Pavlov's well known work (Fig. 3.6) demonstrated that association learning can take place. Because his experiments dealt with animals with unthinking responses, the results are often regarded as non-transferable to human beings.

Fig 3.6

dog food shown	- salivates	employee experiences failure	- feels anxiety and fear
bell rung)	manager is present)
dog shown food	- salivates	employee experiences failure	- feels anxiety and fear
bell rung)	manager is present)
no food	- salivates	no failure	- feels anxiety and fear
The dog has learned to "associate" bell with food and to respond as if food is present when it is not.		The employee has learned to associate the manager with failure and reacts unthinking as if failure is present - even when it is not.	

Association learning (from Pavlov)

Association learning can take place at work with individuals capable of high order thinking. A supervisor may only have cause to notice a member of his team when his behaviour is unsatisfactory. It causes him anger or distress. Eventually the sight of the individual may be sufficient to trigger the distress or tension even when the individual is performing well. A worker who has experienced only problems and difficulties from the presence or requests of a particular manager may come to associate unpleasant consequences with the appearance of the manager, even when he is the bearer of good news. Similar effects can arise when members of ethnic or cultural minorities become associated with particular stereotypes or feelings. These are unthinking responses.

Pavlov's dogs were passive in the process described. Skinner and others who developed his work were concerned with operant conditioning, in which the animal was able to choose a response. Among his experiments, he replaced a rat in a box equipped with a lever and a food chute. Eventually, by accident, the animal bumps into the lever and a food pellet appears in the chute. The animal quickly learns to bang the lever to gain food. The next phase is to introduce a reinforcement schedule. First we reward only every second time, then every third, extending until 50 or 60 presses of the lever. Animals can easily learn to respond this way. A final step is to reward on average according to the schedule, but not at fixed intervals. Behaviour established by a variable reinforcement schedule is extremely resilient and lasting.

Any reader who is by now thinking that people are different to this should speak to someone who has visited Las Vegas, or similar places where with "one-armed bandits" human beings exhibit exactly the behaviour described.

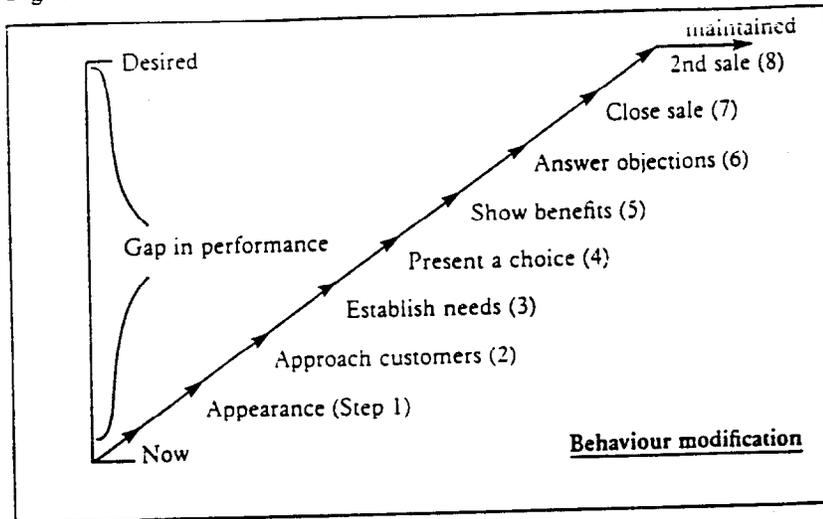
Behaviour modification

Even accepting that human beings are more than just animals with their intellectual (not to mention spiritual) capacity, it is possible to make use of these results in helping individuals modify their behaviour. The process can be open or hidden.

An easy first step is to reward behaviour you wish to encourage and fail to reward negative behaviour, without any grand statements about the process. It is important to ensure that encouragement is associated with preferred behaviour. It is possible to identify the total gap in the performance of an individual and break it down into steps towards the desired level, rewarding each step along the way.

An example would be a member of staff who fails in every part of his or her job as a shop assistant. We can identify eight steps in selling in which we wish the person to be proficient. The first is appearance. We reward any signs of improving grooming and hygiene. We may indeed have identified a need to improve and communicated it to the staff member. We will reinforce every positive move until appearance is acceptable. We then move to a maintenance schedule of reinforcing less frequently but on average sufficiently often. We begin now to reinforce any approach to customers, then correct errors achieve the second stage of behaviour change which we maintain. The process continues until all eight aspects are satisfactory and are being maintained in that state (Fig. 3.7).

Fig. 3.7



This and other behaviour modification can help subordinates learn satisfying work habits and aid the achievement of particular goals for organisations. A number of simple rules for behaviour modification would be:

1. Don't reward individuals mechanically.
2. Tell individuals what to do to get reinforcements.
3. Be aware that failure to reward can also modify behaviour.
4. Be sure to tell individuals where they are going wrong.
5. Reward with appropriate schedules, which distinguish between developing and maintaining behaviour.
6. Be fair.
7. Punish privately.

Factors which affect an individual's learning

After maturity is reached, *learning ability remains practically constant*, but learning continues for as long as there is life.

Individual differences in intelligence, background, need, purpose and condition have a great effect upon learning. The speed and efficiency of learning is influenced by many variables, ie the person's motivation, their abilities and the nature of the subject matter.

Learning requires activity. We learn to do by doing. Active participation by a learner is always preferable to passive reception. There should always be a way in which the individual can respond to or manipulate and promptly utilise the material conveyed.

Learning is based upon past experience. We learn new things in terms of what we already know. New experiences are interpreted on the basis of past experience.

Feelings affect learning. The most effective learning is accompanied by an intense interest (a mild emotional reaction) and a "keyed up" alertness.

Extreme emotional responses interfere with effective learning. A person who is angry, resentful, embarrassed, frightened or otherwise emotionally upset is likely to think about the source of this disturbance rather than the subject being taught.

People learn many things in addition to skills and information. The attitudes, interests, habits, character traits and appreciations which develop may be either favourable or unfavourable. To control the direction of the development is a major responsibility of an instructor.

Interest is essential to effective learning.

Friendly competition stimulates learning. Competition with one's own past record is perhaps the healthiest form.

Early successes increase chances for effective learning. An individual's success tends to drive him or her on to further effort and additional success. For the normal person achievement brings a certain amount of real pleasure and satisfaction which stimulates greater activity.

Challenging problems stimulate learning. The question which the instructor asks during oral instruction should take the form of small problems to be solved mentally. The student responds much more strongly to this type of oral question than to a bare statement of fact.

Knowledge of the purpose, use and application of what is being taught makes learning more effective. Individuals have a right to know why they are required to learn certain things. More importantly, they learn them much more readily if they understand the reasons for learning them.

Knowledge of the standards required makes learning more effective. If someone knows the character of effective performance, he or she has greater chances of succeeding. Knowledge of the standards required gives direction to efforts and makes an individual aware of a specific goal. Realistic goal setting leads to more satisfactory improvement than unrealistic goal setting. Similarly, precise goals have more effect on learning than vague, general goals.

Continuous evaluation is essential to effective learning. Self-evaluation of one's efforts is essential to progress. Individuals must continually compare their work with some standard of accomplishment if they are to improve.

Recognition and credit provide strong incentives for learning. People desire and have a right to expect credit for work well done. Learning under the control of reward is usually preferable to learning under the control of punishment. Learning motivated by success is preferable to that motivated by failure.

The more vivid and intense the impression, the greater the chances of remembering. Repetition - the number of times an individual experiences something - is not as important in remembering as is the vividness of a single experience. We forget many things which we repeat several times.

Practice makes a dramatic difference to learning speeds.

Effective learning is likely to occur when there is a *meaningful relationship between things taught*. Meaningful materials and tasks are learned more readily than nonsense materials, and more readily than tasks the learner does not understand. Things taught must be related in some meaningful sequence.

The most effective learning results when initial learning is *followed immediately by application*.

Repetition accompanied by constant effort toward improvement makes for effective development of skill.

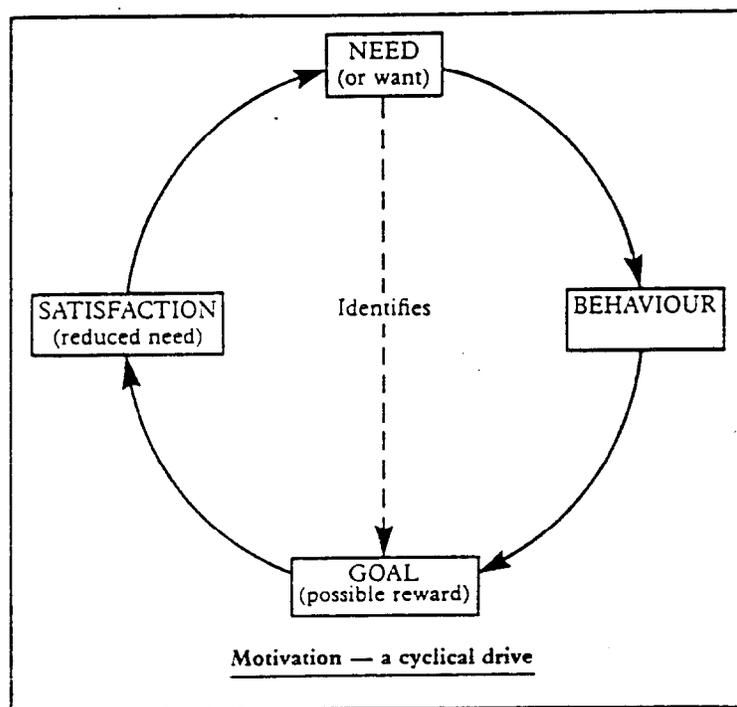
People learn more when they are held to account and made to feel responsible for learning.

Performance and motivation

Possessing ability does not automatically mean the ability will be used; the behaviour and performance the organisation desires may still not result. We all know people of high ability who do not perform well despite their natural gifts. Often motivation is lacking and there is no drive to perform. One obvious way to increase performance and the use of an individual's ability is to increase their motivation to perform.

The motivation of individuals is simply described in Fig. 3.8.

Fig. 3.8



All human beings have needs and wants and all human behaviour can be explained by their existence. (We will not stop to make a distinction between needs and wants in this text.) Individuals see goals and outcomes which, if achieved, will satisfy their needs and wants. They take action to reach the goals or obtain rewards. They feel

driven to reduce their needs by taking some action. When the goal is reached, the need disappears and with it the drive to act or behave.

The simplest example of this model is the biological homeostatic one. Our physical wellbeing depends on the maintenance of a relatively constant temperature. When our body temperature rises we need to be cooler - the "goal" is cooling and the "action" is perspiration. The moisture evaporates and cools our body. As soon as we reach the equilibrium temperature, our need for cooling ends and perspiration ceases. A similar cycle operates if we become cold. Shivering turns energy into heat which raises our temperature. All human behaviour can be explained by Fig. 3.8. Try to think of any behaviour which cannot be explained this way and then try to explain it using a model.

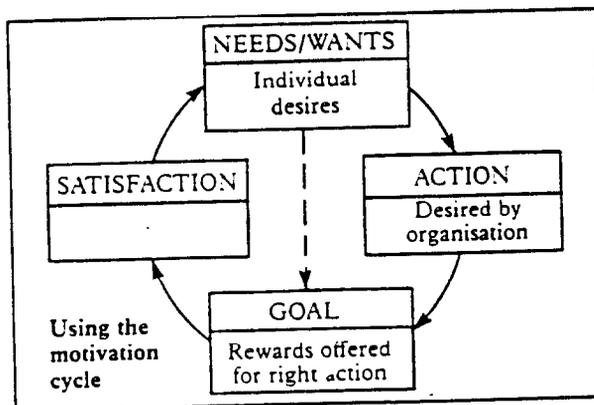
At work a need for status and the esteem of others may well lead an individual to identify that promotion is desirable. The individual feels driven to join evening classes or to work hard or to take some other action which may lead to promotion. When promotion has occurred the desire to study or work harder will, at least temporarily, be diminished (unless, of course, the action has become habitual or is satisfying in its own right).

Unexpected expense at home may lead to volunteering for overtime so that more income will bring the household budget back in line again. Once the budgetary crisis is over, the desire to do overtime will disappear unless it, too, has become a learned behaviour.

It seems to be part of the human condition to be continuously wanting and needing. Having been driven to action to reach a goal which satisfies the need which gave rise to the drive, we find ourselves concerned with a new want, goal and drive to action.

Managers can make use of this pattern of need-action-goal-satisfaction (Fig. 3.9).

Fig. 3.9



If we have a clear idea of what we, as managers, want of our subordinates - whether it be less errors, greater output or less strikes - we can offer rewards which will satisfy their needs, provided they take the action we desire. We will, however, need to understand the needs and wants of people at work, to offer rewards which will maximise their drive to action and performance.

Before we explore common ideas about the needs of man, we need to correct any impression which the diagram gives of man being an unthinking, unknowing participant in a process to motivate him. Man is far more complicated than that. It may be reasonable to conduct experiments in Skinner boxes with rats, and indeed to teach pigeons by conditioning to walk in a figure of eight, but applying conditioning to people at work is severely limited within organisations. Any simplistic view of man as merely a conditional animal is demeaning and a denial of his nature as a creative and spiritual being.

Theory X and Y - Douglas McGregor

A study of the needs and wants of an (either generally or at work) involves assumptions about the nature of man. Almost all the research conducted implies that the way in which we see working people determines how we seek to manage and motivate them. Before we discuss some of the research readers are invited to check out their own assumptions by scoring the 10 statements in Fig. 3.10.

Fig. 3.10

Theory X and Y	
Please indicate the extent to which you agree with the statements by scoring them 1, 2, 3 or 4 in the boxes.	
(1) Strongly agree	(2) Agree
(3) Disagree	(4) Strongly disagree
(1) The average human being is essentially passive and, left alone, will be inactive.	<input type="checkbox"/>
(2) The average human being dislikes all work, will avoid it if possible and works only out of economic necessity.	<input type="checkbox"/>
(3) The average person wishes to avoid responsibility and likes to be told in detail what to do.	<input type="checkbox"/>
(4) The average person needs close supervision direction and control.	<input type="checkbox"/>
(5) Only a small group of people are self-starters and well motivated. They need to control the bulk of working people who are not self-starters.	<input type="checkbox"/>
(6) The average human being needs to take part in purposeful activity.	<input type="checkbox"/>
(7) Work is as natural as play.	<input type="checkbox"/>
(8) The average person wishes increasingly to have more responsibility for his or her own actions and to make decisions.	<input type="checkbox"/>
(9) The average person is capable of self-direction and control.	<input type="checkbox"/>
(10) In most people there is a large reserve of energy, enthusiasm and creative activity which, given the chance, they would use at work.	<input type="checkbox"/>

If we now draw a line under item five, we have two sets of propositions which illustrate theory X and theory Y.

The terms theory X and theory Y come from the work of Douglas McGregor whose book *The Human Side of Enterprise* remains a classic today. He suggested that all managers fall into two categories according to their beliefs about the nature of people.

Theory X - He suggested that the majority of managers believe that the human race is divided into two groups. One large group is basically passive, unmotivated, unable to

see their own long-term best interests, work only for money or if their security is threatened, are undisciplined with a need to be controlled and lack creativity.

In stark contrast a small group are self-starters, self-controlled and understand the best interest of all in the enterprise. They need to plan, organise and control the larger group for the good of all.

This view reflects the paternalistic and mechanistic approaches to management of the early twentieth century with their emphasis on the need for external pressure to keep employees working and to overcome inherent laziness and irresponsibility. The style of management which results from this view is often characterised by the expression "carrot and stick". Emphasis is often on individual incentive schemes (almost always monetary), piecework, clocking in, strong bureaucratic rules, discipline and promotion by length of service. If you have agreed largely with statements 1 to 5 in the checklist you will have some sympathy with these views.

Theory Y - As a contrast McGregor (who regarded theory X as inappropriate and destructive) identified a small group of managers who strongly disagree with theory X and embrace a different set of ideas he called theory Y. McGregor believed this to be an enlightened view leading to a wiser style of management.

These managers reject the division of mankind into two groups. They believe that men and women have many more needs and money, including the need to be purposefully employed at work, that they seek to use all their abilities at work, are primarily self-motivated and controlled, (and that self-discipline will be more effective and sometimes more severe than any imposed) will accept and even seek responsibility, are motivated by a desire to realise their own potential, are often creative and grossly underused in terms of their contribution.

The applications of theory Y ideas lead to a particular approach to management - seeing work as potentially satisfying itself, because it is as natural as playing. Targets will tend to be agreed, status will be uniform, delegation of authority and responsibility widespread, job enrichment prominent and concepts of "team" valued. Managers become "makers of opportunity" for individuals, removing obstacles and realising potential.

The majority of managers in the 1980s who, when asked which theory they believe, and are prepared to commit themselves, opt for theory Y. Follow-up study often reveals, however, that whatever they believe in theory, many in practice are well equipped with carrots and sticks and well practised with them! Even McGregor found this difficult when, having become a "manager" in an educational establishment, he found he resorted to theory X behaviour with his own academics.

One explanation of this phenomenon is that, although managers believe intellectually in theory Y, they are faced with workers who obviously dislike work, do avoid it, do have to be bribed and threatened, speak only about money and show little initiative. A self-fulfilling prophecy has existed. The individual's whole past experience of factory work has been characterised by the application of theory X ideas. If from our parents we have learned how to be a theory X worker and the boss treats us as one over an extended period, then we stand a good chance of becoming (at least operationally) a

typical theory X worker. Many people who have had 20 years learning and practising the theory X role now have it word perfect, even becoming the part.

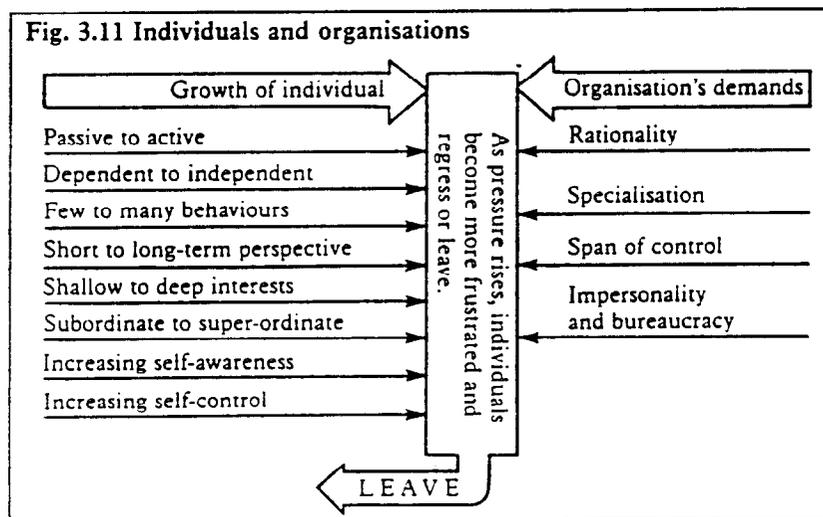
Many managers have been exposed to theory Y ideas and similar ones through courses, books and seminars. They return to work inspired to apply them only to find they fail totally in the face of scepticism and well-trained actors who still seem to want to play theory X parts.

Individuals and organisations - Chris Argyris

Similar to theory Y is the way Chris Argyris has presented the contrast between the natural development of individuals and the impact the demands of organisations have upon individuals.

Argyris suggests that individual energy comes from the existence of needs (often characterised as physiological, social and self-fulfillment needs). *Abilities* are the means of using the energy to meet the needs.

As we grow as individuals we increase the number and the depth of our needs and abilities. They generally develop from bottom to top (see Fig. 3.11). Organisations often have features which hinder the development of these abilities and needs between roles not people, these all hold back individual development and very often reduce maturity).



The consequences of this are more severe for individuals when:

1. Employees are mature with high expectations.
2. The formal structure is more clear cut, jobs are more defined and specialisation increases.
3. Jobs are mechanised.
4. Companies increase in size, reducing individual significance.
5. There is a demand for total commitment.
6. Supervision is manipulative (often "human relations" techniques).

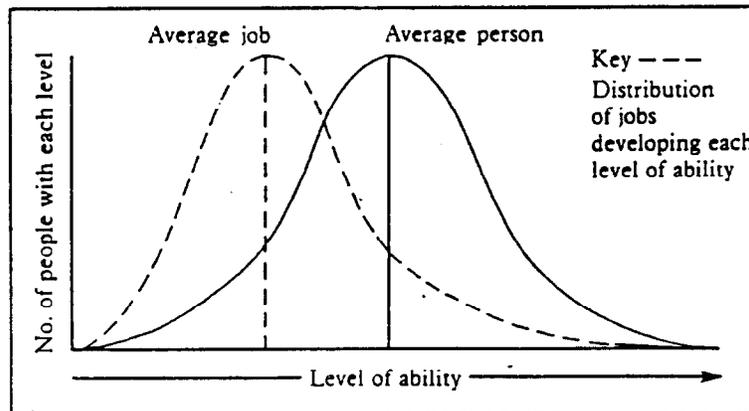
Individuals can react by leaving the company, seeking promotion, showing defence reactions or by apathy. Often informal groups will arise to approve of the individual's actions and to provide standards, norms and sanctions. There may be a greater interest in money in order to gain reward for what is being suffered not what is being produced.

Management may react by further increasing supervision and control, so making the situation worse.

This cycle can enormously damage an organisation. As we have seen, human abilities are normally distributed. Unfortunately it is likely that the distribution of jobs requiring particular levels of ability is not normal. It will be heavily skewed towards less than average ability (Fig. 3.12).

When an organisation hires an individual it hires all of his or her ability. If it does not use it all, it suffers in cost/benefit terms. If managers then consciously and systematically reduce the contribution of individuals because of the assumptions they make about irresponsibility etc., an organisation compounds its loss by adding the increased costs of supervision and control to the cost of lost output and additional wages for staff to make up the output lost.

Fig. 3.12 Individual ability and jobs



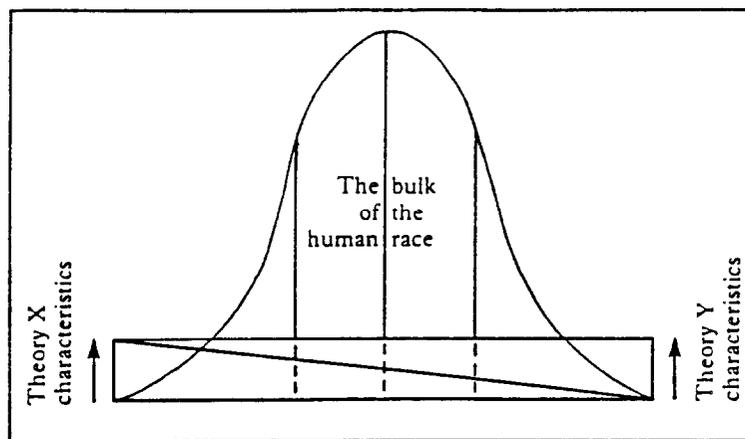
Protagonists of this and similar views would argue for an incremental, gradual shift towards allowing individuals to contribute more and for a consequent step by step discovery of satisfaction by individuals through expanding their role and contribution.

These views all hinge on an underlying assumption that people will grow in given the chance. Behind this assumption is the belief that all people are basically good. This humanistic perspective would be challenged by many as unrealistic and stands in complete opposition to the whole thrust of traditional Christian belief (particularly Protestant belief) which sees man as being a mixture of tendencies to growth and tendencies to negative activity. It would also be seen as unrealistic with the assumption that we need to believe either theory X or Y and also that everybody is the same.

A more helpful integration of the truth of both theory X and Y is seen in Fig. 3.13. The diagram suggests that we are a mixture of theory X and Y characteristics, with the potential to become more of one and less of the other. The bulk of the population will

be somewhere in the middle with a balance of discipline and opportunity to grow, of direction within which there is freedom, of responsibility and leadership.

Fig. 3.13 Theory X and theory Y



At the right-hand end of the distribution will be individuals who need little direction and will need a quite different style from those at the left-hand end who will exhibit largely theory X characteristics. These people will require more direction, control, incentives and stronger discipline.

An added complication is that individuals vary from time to time and situation to situation. This theme of leadership style which we are now identifying is enlarged and developed in Chapter 2.

McGregor's work was a step from the economically rational man view, to a view that more than economic rationality and security were important, to a view that many needs are common to man. While some theorists may have replaced a model of economic man with one of a largely social man (particularly following the work of Elton Mayo and associates referred to in Chapter 1), the study which has moved on to consider the human being as having multiple needs is not so easily described.

A hierarchy of pre-potency - Abraham Maslow

The most taught and most widely known work in the motivational area is that of Abraham Maslow. Maslow used a five-fold classification of needs common to mankind - *physiological, safety, social, self-esteem and self-actualisation needs*.

The significance of his work is not his typology but the idea that, although we all have all these needs all the time, they emerge to motivate or drive us in a particular order as the preceding need is satisfied. He establishes a "hierarchy or pre-potency".

If all needs are unmet then human beings will seek first to satisfy their physiological needs for survival, food, warmth, sleep, etc. They will identify a goal, take action and, having reached the goal, will become less driven to reach the same goal. As the needs at this level become largely satisfied, we discover a new need or set of needs to be safe and secure. As this level of need becomes largely satisfied we discover a desire to meet our social needs, then our esteem needs and finally we seek to be "what we could be". (Maslow calls this the need for self-actualisation - or a self-realisation.)

One common error is to believe that Maslow implies that, as a need is satisfied, we cease to have that need.



All needs are present all the time; it is only the order in which they emerge to motivate or drive us which is hierarchical. We still need food even when driven to change job to gain more esteem through status. Anyone who loses employment in a high status position soon rediscovers the need to have a job, not necessarily an ideal job. A secure job comes next and then the higher level concerns become motivators.

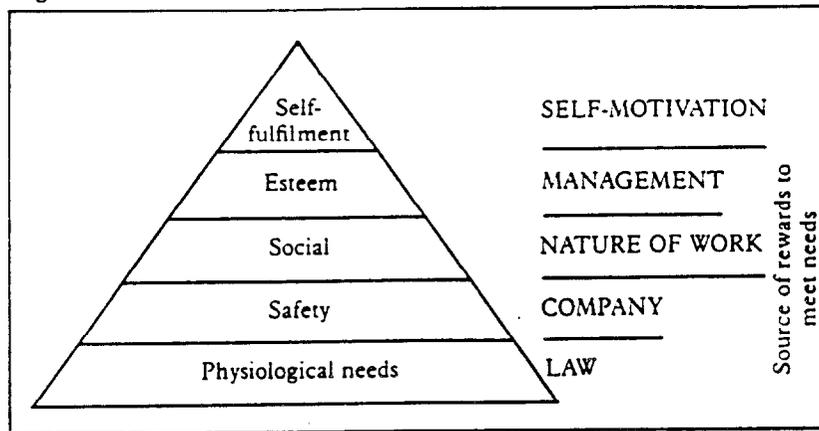
There are two important implications of the Maslow work. The first is that once a lower level need is satisfied (for example the need for cash to ensure a good standard of living), the offer of more cash to work harder may be both ineffective and expensive if the individual is now motivated by self-fulfillment needs. *A satisfied need is not a motivator.*

It is important to understand that an attempt to offer more of a reward at a higher level when lower needs are unsatisfied will fail. In an extreme case, workers who cannot adequately maintain their families, will not be motivated by an assurance that the work they do is of great importance and that they are highly valued. Their lower level needs will determine their actions. Lower level needs must be satisfied before higher levels become powerful.

The second important implication is that individuals vary from time to time in themselves and from person to person. Some individuals are almost the reverse in their order of priorities. Missionaries, pastors, artists, social workers, writers and philosophers may be extreme examples but they illustrate a group of people who may seek to satisfy their need to be what they could be despite unpleasant or less favourable outcomes in terms of their lower needs.

If we return to the basic need action-reward-satisfaction cycle, it is sensible to offer rewards and opportunities which will satisfy as many needs as possible so as to increase the drive within individuals to behave in a way we prefer. Taking the Maslow hierarchy, we can see a variety of ways organisations seek to offer rewards and opportunities to individuals (Fig. 3.15).

Fig. 3.15 Meeting needs at work



At the *physiological level* money provides the source of survival - food, shelter, warmth and sleep. The role of a manager is constrained in this area by the law, awards and the minimum amount that can be lived on. A manager who reduces his employees' income to below a basic living wage will cause anxiety and attempts to escape or look elsewhere for the satisfaction of basic needs.

At the *safety/security level* organisations can provide security through contracts, grievance procedures, disciplinary codes, sickness schemes, pension schemes, and redundancy agreements. A safe environment can also be provided and training given to avoid accidents and damage. A healthy profit and long-term employment are both major contributions managers can make.

At the *social level* some industries can't help providing contact with other people. Service industries such as retailing, education and welfare services are basically people-centered areas where often the work is organised in groups. Work organisation can also focus attention upon and build a series of teams. Management practices can encourage group satisfactions.

At the *esteem level* the role of a manager is crucial. Individuals are able to feel self-esteem as they experience success and the esteem of others. A whole range of things can help with satisfying this need: autonomy, responsibility, the showing of appreciation, recognition, status (both formal and informal) and the gaining of knowledge.

It is at this level that managers make their most significant contribution. If an individual becomes reasonably satisfied at this level then the desire to self-actualise becomes important and is essentially a question of self-motivation. Provided the lower level needs are met, individuals will motivate themselves and the management role becomes a maintenance one.

Intrinsic-extrinsic motivations - Frederick Herzberg

Frederick Herzberg (1959) studied 200 engineers and accountants and his work echoed Maslow's concepts. In interviews people were asked to describe situations in which they felt very satisfied in their work and situations in which they felt very dissatisfied.

Instead of one set of factors emerging, the presence of which motivated people and the absence demotivated them, two distinct sets of factors resulted from the analysis.

One set, which Herzberg called *satisfiers* (or motivators), were clearly identified with features of the job itself. These seemed to be able to motivate provided the second set were adequately present.

The second set seemed to produce only dissatisfaction and were concerned with factors around the job, not the job itself. These have been called *hygiene factors*.

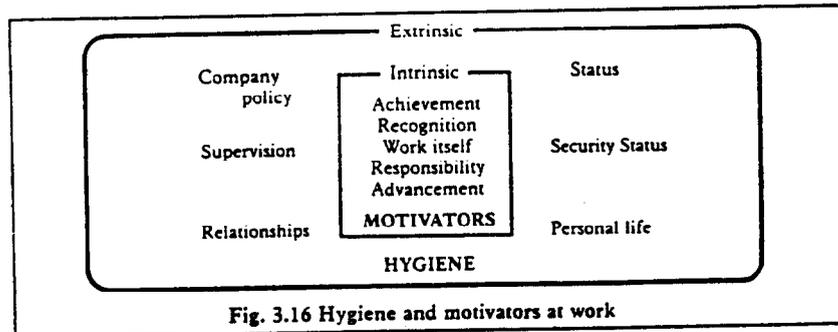
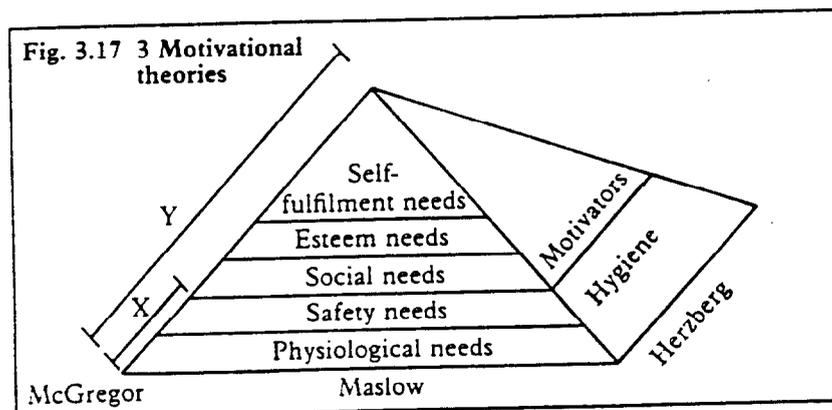


Fig. 3.16 Hygiene and motivators at work

It is important for managers to see that hygiene factors are right before expecting any result from attention to the potential satisfiers in the job. Once the hygiene factors are adequate, further investment in hygiene will never motivate. A number of organisations, perhaps typified by some car assembly plants, have failed to understand this. At every point of unrest the management have seen disputes in terms of money. As a result more money has been paid and the problems reappear. The dissatisfactions have often been intrinsic not extrinsic. A measure of recognition or of job enrichment would have been more effective.

Herzberg's work has often been repeated. Much supports his separation of factors, particularly when using his methodology, but studies using different methodology have come to different conclusions. Often Herzberg is accused, quite wrongly, of discounting the importance of money as a motivator. His main contribution is to make it clear that needs are varied and have a hierarchy, if only a two-stage one.

We can draw the threads together neatly in a diagram (Fig. 3.17).



If we bear in mind that progress up the Maslow and Herzberg levels is cyclical, we have a reasonable picture of the simple motivation theories and will be able to specify appropriate rewards to groups and individuals at work.

We cannot leave this subject without mentioning the work of McClelland on achievement motivation and Vroom and Lawler on expectancy theory; both are substantial contributions but beyond the scope of this introductory text.

A last word on this subject is one of caution. General modes of motivation cannot be applied mechanically to individuals or groups. Great sensitivity is required to raise the motivational drive and to sustain it.

Opportunity

We have so far discussed ideas that will help us understand and alter behaviour through interventions in ability - through learning - and motivation.

A third element is needed to allow a highly able, well-motivated individual to perform well - opportunity to do so. Sufficient scope is needed to use individual skills. Bosses' expectations which are too limited frustrate individuals and use costly human resources badly in cost-benefit terms. The more decision power we remove from individuals who are able and willing to make decision power which do not require co-ordination, the more time has to be spent making those decisions for them. It will often be at the expense of other managerial work.

A trivial example would be making up staff rosters for tea breaks, holidays and other absence from the workplace. Many groups of workers are quite capable of making decisions in these areas, within clear guides as to the levels of staff required at particular times. They can gain satisfaction from taking decisions in areas regarded by more senior managers as a trivial burden but of great importance to the daily lives of the staff concerned.

Incremental pay scales are often justified on the grounds that for the first two years or steps individuals are becoming more effective and reach acceptable long-term levels of performance by year/step 3. The going rate should therefore be paid in year 3 with less during learning periods in years 1 and 2. In years 4 and 5 performance will have improved and so additional steps are justified. Underlying these arguments is the view that people should be able to develop within jobs as well as between jobs (via promotion); they imply that ability and motivation will grow. As an organisation hires all of someone's particular ability along with the individual, it is wise to use as much as possible of the ability and to increase the return on the investment in human resources.

Job enlargement and enrichment

One way to make space for growth in performance is to gradually enlarge or enrich jobs. Cynics would suggest that job enlargement is an increasing number of tedious tasks being added one by one, giving greater variety but little else. Herzberg (1968)

wrote that "Job enrichment seeks to improve both task efficiency and human satisfaction by means of building into people's jobs, quite specifically, greater scope for personal achievement and its recognition; more challenging and responsible work and more opportunity for individual advancement and growth". He believed job enrichment is concerned only incidentally with matters such as pay, working conditions, organisational structure, communications and training. "Changes in the working environment may remove some obstacles to individual contribution. Job enrichment is the attempt to provide positive opportunity, encouragement and reinforcement of individual contribution".

Job enrichment requires a lack of concern for demarcation lines and a willingness to encourage individuals to expand their contribution. It implies regular review of targets, objectives and job descriptions and a joint approach to the setting of the objectives.

One of the worst mistakes an organisation can make is to train or encourage the development of high order skill, the exercise of which is discouraged after it has been learned. This causes unnecessary cost, and frustration and unhelpful behaviour often result.

IBM have a systematic job enlargement philosophy and claim to have changed attitudes of workers, increasing pride and productivity. Maximising jobs has enabled IBM to create significant opportunities for the semi-skilled. Many Japanese companies are involved in continuous training throughout working life to prepare for and five enlargement within jobs.

It is important to ensure that there is sufficient opportunity to use the increased abilities and greater drive which may be produced by other interventions in the area of organisational behaviour.

3.3 Groups in organisations

Individuals do not live in isolation and "no man is an island entire of itself". This is as true at work as it is in general. A manager who attempts to understand behaviour in organisations without understanding the social and informal system of relationships at work will miss a large part of the truth. The social nature of work in general, and of groups and their dynamics in particular, is of great importance and has been increasingly understood since the pioneer work of Elton Mayo.

Definition

A group is more than a category and more than a collection of individuals. A group in the psychological sense (one which has dynamics or forces within it) has, according to Edgar Schein (1965), to have three characteristics:

1. The individuals must interact.
2. They must be aware of each other.
3. They must think they are a group.

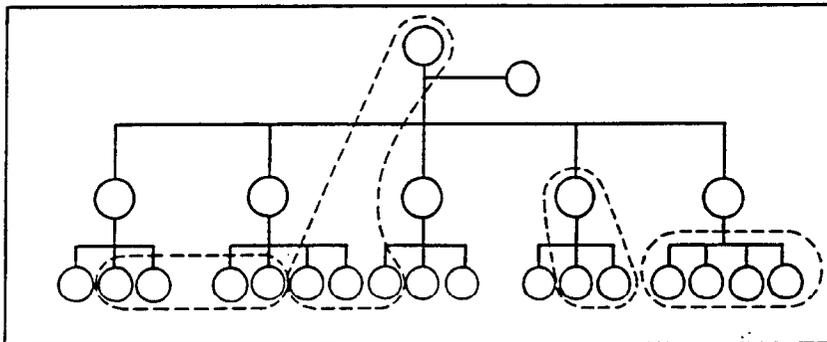
Many would add a fourth characteristic, which is implied by the other three - a need for common purpose.

You may like to consider your management team, learning group, work group or management class in these terms and explore whether they are groups in this sense. It will be difficult to describe a first-year management class of 750 as a group according to these criteria but easier in the case of a group of 20 students completing an MBA (Master in Business Administration) at the same institution. The latter work in groups and often live together, spending perhaps 60 hours per week together. The individuals quickly become more than the sum of the individuals and are affected in some dynamic way by their membership of the group. This synergy is often claimed to be one of the main reasons why groups are productive and satisfying.

Types of groups

Groups may be formal or informal, permanent or temporary. They may also be horizontal, vertical or diagonal in terms of the organisational chart.

Fig. 3.18 Informal groups in an organisation



Groups may obviously be combinations of all these types and readers will be able to identify many different combinations in their places of work.

Group formation and conformity

When a collection of individuals meet with a common purpose, they will often *interact* with each other. As they interact two processes commonly occur. The individuals begin to identify with the group - to see it as existing and themselves as part of its essential structure. At the same time the group begins to assume some stable qualities and characteristics. These are expressed in norms. Norms are standards or expectations about how the group and its members behave. Behind these norms lies a developing series of beliefs and attitudes which are often described as the "culture" of a group.

The norms may be consciously stated or unconsciously present. Some will be more sacrosanct than others.

As the norms develop and identification of the individual increases, so too does the influence of the groups on the individual's behaviour. Pressure to conform rises. Sanctions may begin to be used to ensure compliance. These sanctions may be mild -

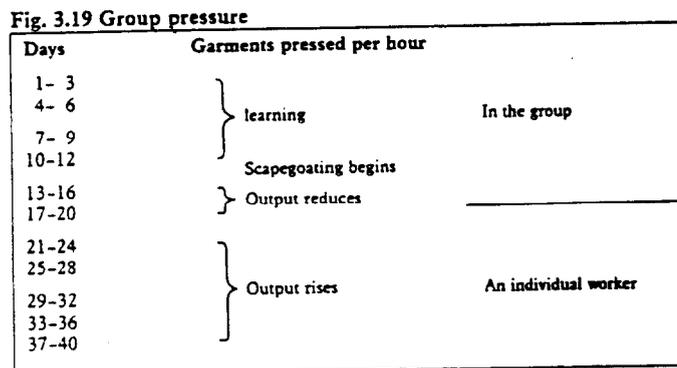
kidding, joking and so on, or more severe - perhaps refusal to communicate or spend time together socially, or lead to physical violence and exclusion.

The bank wiring room study (one of the experiments at the Hawthorne works) showed clearly the development of at least four key norms or expectations which the group had of its members. Individuals should not:

1. Produce too much (be a ratebuster).
2. Produce too little (be a chiseller).
3. Tell a supervisor anything to the detriment of a workmate (be a squealer).
4. Allow supervisors to maintain any 'social distance' (or to act officiously).

These norms were enforced by rebukes, by kidding and by social pressure which led to ostracism. The company policy was often ignored and the group view of things was of far greater importance. Output was seen to depend on social membership of work groups and the social and informal elements in an organisation were as important as the individual in determining output. This finding highlights the uneasy feeling many managers have that groups are difficult if not impossible to control and can restrict output. It is a mistake though, is to assume that restriction of output is the only or even the main activity of groups. They can be very helpful to management objectives.

Another example of the power of a group to influence an individual comes from the Harwood studies of Lester Coch and John French (1947). One part of the study focused on the effect a group standard or expectation of output can have on an individual member of a small sub-group. The individual was a presser in a garment factory, who was studied for 40 days. Her production record was as below (garment per hour).



For the first 20 days she was working in a group of other pressers who were producing at a rate of about 50 units per hour. Starting on the thirteenth day, when she had reached and passed the standard production of the group, blamed for all the ills and difficulties in the group. During this time her production decreased towards the level of the remaining members of the group. After 20 days the group had to break up when all the other members were transferred to other jobs, leaving only the operator being studied.

This removed the group standard. Her production rate shot up to 96 units per hour and then stabilised at around 92 units. It is clear that the motivational forces produced by the sub-group had been more powerful than those induced by management.

Group meet needs - for individuals

Groups can exert such strong pressure for conformity and influence individual behaviour because they are capable of satisfying individuals' needs.

We can use Maslow's categorisation to illustrate the wide range of needs they can satisfy.

As work groups do not have a large role in satisfying *physiological needs*, except to the extent they influence earnings and so influence physiological satisfaction by controlling a major means of achieving it.

At the *safety level* groups can increase a feeling of security and indeed actual security for individuals. They can provide a sense of power in facing a common enemy or generally disagreeable environment. This power can be real as well as felt.

Groups can satisfy needs for friendship, love and acceptance at the *social level* of the hierarchy.

At the *esteem level* a group can confirm an individual's self-image, enhance prestige and give recognition. Sometimes a role - even an apparently "unproductive" one - can be given to an individual which helps to integrate his or her idea of self.

At the *self-actualisation level* a group may allow an individual to be what he or she could be - a leader, a comedian or maintainer of the group.

Because groups can increase individual satisfaction, members who value this will conform. To preserve the arena in which they can gain satisfaction they will seek to bring pressure on other group members to conform. Given the wide ranging needs which can be satisfied by groups, it is likely that informal groups will form even if no formal groups are established.

Groups meet needs - for organisations

Many organisational purposes are served by groups. Groups can be useful for:

1. Distribution and control of work.
2. Problem solving and generation of ideas.
3. Information collection and processing.
4. Testing and ratifying decisions.
5. Co-ordination and liaison.
6. Conflict resolution.

If groups are indeed a fact of life in organisations and have an important and individual behaviour, then an effective manager will be able to observe group processes, explain them, predict them and be able to influence groups and individuals.

Making groups effective

Task and maintenance - Fig. 3.20 shows a simple structure developed by Robert Bales et al. for recording the interaction in a group. Its importance lies both in sensitising those who use it to group processes, and also in highlighting the distinction between task and maintenance activities in producing group effectiveness.

Fig. 3.20
Interaction in groups

	Behaviour	Bill	Jill	Fred
MAINTENANCE Positive M+	1. Shows solidarity, raises other's status, gives help, reward.			
	2. Shows tension release, jokes, laughs, shows satisfaction.	1	11	11
	3. Agrees, shows passive acceptance, understands, concurs, complies.		 	1111
TASK Positive T+	4. Gives suggestion, direction, implying autonomy for other.	11	11	
	5. Gives opinion, evaluation, analysis, expresses feeling, wish.	1	11	1111
	6. Gives orientation, information, repeats, clarifies, confirms.	-		11
TASK Negative T-	7. Asks for orientation, information, repetition, confirmation.	1		1111
	8. Asks for opinion, evaluation, analysis, expression of feeling.			1111
	9. Asks for suggestion, direction, possible ways of action.			111
MAINTENANCE Negative M-	10. Disagrees, shows passive rejection, formality, withholds help.	 111 		
	11. Shows tension, asks for help, withdraws out of field.		1	
	12. Shows antagonism, deflates other's status, defends or asserts self.			

Effective groups will achieve at least minimal amounts of task success, usually related to the reason why the group exists. A number of behaviours (4, 5 and 6) contribute to this achievement. A similar number (7, 8 and 9) are negative to the task objectives.

Concentration on task behaviour can be at the expense of the maintenance of the group as a cohesive working unit. This group needs to be maintained as well as directed to achievement of task. Two categories of maintenance behaviour are identified in the Bales model. Negative socio/emotional behaviour (10, 11 and 12) tends to damage the cohesiveness and effectiveness of the group while positive socio/emotional behaviour builds a group and maintains its cohesiveness.

A common mistake among group leaders (particularly appointed ones) is to seek to eliminate all the social/emotional behaviour (both positive and negative), believing it is damaging to task achievement. An undue preoccupation with task emerges which can be destructive to both group health and task. The group needs to be routinely and preventatively maintained.

Having identified the need to maintain as well as to achieve task, some leaders tend to assume that they can be simultaneously successful in both task and maintenance behaviour. The ability to do both well is very rare in the same person. It is best to identify which you are good at and give room to someone else to complement your strength. If there is a competent social leader in the group then leave the maintenance to him and make a good job of task leadership.

Groups which are well maintained are more productive, have higher quality outputs and often exhibit more division of labour co-ordination, fewer communication problems, friendly discussion and satisfied members.

Forming to performing

Groups have been seen as having four shapes in development.

1. *Forming* - getting acquainted and beginning to interact.
2. *Storming* - a process of disputing relationships and positions and possible norms before norms are agreed.
3. *Norming* - the establishment of standards, expectations and culture to which all are committed.
4. *Performing* - Effective task performance provided maintenance is carried out.

Many people see forming, storming and norming as unnecessary before performing well but this view is incorrect. Fifteen men with no experience of each other who wish to be a rugby team must go through the three stages before they can expect to perform well on the field. Allowing these steps, even encouraging them, requires clear vision from a leader.

Encouraging cohesiveness

Managers can encourage cohesiveness (which has been defined as "sticky- togetherness") in a variety of ways. Six are worth mentioning here:

1. *The make up of a group* has an impact on cohesiveness. Minimum differences in status, personality, education, skill and expectation will encourage a cohesive group.
2. *The organisation of work* needs to ensure an opportunity to interact. Relatively stable membership is required to develop strong identification. The size of a work group is also relevant. Beyond 20 a group will tend to polarise and fragment; between five and eight is an ideal number in many circumstances, allowing both interaction and pressure to conform.

3. *Reward systems* may be devised which reward the group for performance. Systems such as pooled commission and group bonuses (for attendance and output) enhance a feeling of interdependence and group cohesion.
4. *Communication* which addresses groups not individuals at briefing meetings, quality circles and similar group-centered activities, builds group cohesion as does group-centered supervision.
5. *Competition* - A common enemy, or at least competition, helps define the difference between the "in" groups (us) and the "out" (them) and increases pressure to conform for the sake of the group. Its unthinking use can lead to a whole range of unintended consequences.

A manager needs to facilitate group development and take an active role in seeing that the norms which develop are in line with organisational goals.

Integrating problems

Schein identifies a major problem when progress is made towards group cohesiveness. As groups become more committed to their own goals and norms they are likely to compete with each other and undermine their rivals' activities, becoming a liability to the whole organisation. The problem is how to establish both high productivity and good intergroup relations.

When competition occurs then common phenomena *within* each group are:

1. The group becomes more closely knit and gains greater loyalty; ranks are closed and internal differences disappear.
2. Task becomes more dominant and autocratic leadership which often emerges is tolerated.
3. Structure, organisation and conformity increases.

Between the groups a number of common phenomena emerge:

1. The other group is seen as the enemy.
2. Perception of "them" and "us" becomes stereotyped. Only the "good" in "us" is seen, only the "bad" in "them".
3. Hostility increases as communication declines.

As a result the positive effect of competition on a group can be dangerous for the organisation particularly if hostility leads to a fight of some sort which leaves a complacent winner and a destroyed losing group.

Where hostility leads to a destructive or negative behaviour, two moves are often attempted to bring about collaboration.

1. *A common enemy* - If, for example marketing and accounting are in dispute, then the emergence of a strong competing company who threatens the continuation of the enterprise may lead to the creation of a task force, which includes the disputing departments, to sort out a response.
2. *A new task* - bigger than both of us. A new superordinate task can allow interaction, the destruction of stereotypes and the building of a new group through interaction, the destruction of stereotypes and the building of a new group through interaction and identification.

A third strategy is negotiation or laboratory or sensitivity group training. It is possible to avoid intergroup competition but retain groups.

1. Relatively greater emphasis given to total organizational effectiveness and the role of departments in contributing to it; departments measured and rewarded on the basis of their contribution to the total effort rather than their individual effectiveness.
2. High interaction and frequent communication stimulated between groups to work on problems of intergroup coordination and help; organisational rewards given partly on the basis of help which groups give to each other.
3. Frequent rotation of members among groups or departments to stimulate high degree of mutual understanding and empathy for one another's problems.
4. Avoidance of any win-lose situation; groups never put into the position of competing for some organisational reward; emphasis always placed on pooling resources to maximise organizational effectiveness; rewards shared equally with all the groups or departments.

Group problem solving

One of the major advantages claimed for groups in management is in the area of problem solving. Groups are likely to have more ideas, to consider more approaches and so to make better decisions. There is certainly evidence that groups make riskier decisions, probably because individuals are not solely responsible. Perhaps the most valid claims are to do with understanding and commitments. Having been involved in a decision is widely thought to increase understanding of all the surrounding factors. Because it is "your" decision, not "theirs", commitment is greater during implementation.

There are disadvantages. A group may be too large, the members may be present to represent not to achieve; conflict is possible. Another objection concerns time; groups are almost always time consuming.

Whether a group process is wise depends upon the complexity of the problem and the urgency for action. A discussion to explore all the possible routes in abandoning ship may lead to a perfect decision too late. An adequate decision may often be sufficient and can be achieved without group discussion.

Informal groups are inevitable; a sensitivity to the processes within them and a commitment to use them well are important marks of successful managers in most organisations.

3.4 Organisations - power, authority and conflict

Harvard Business School offers a programme in "Power in Organisations". Even the most casual observer would see that some individuals are able to make things happen more easily than others. Only the most naive would assert that influence, authority and power are simply a matter of seniority or *position*. Many words are used for *personal qualities* which account for part of this phenomenon - "mana" (Maori), "charisma" (from the Greek for the grace of God), "presence" and so on. A third explanation is in terms of *activity* carried out, ie the things managers do which give them power. These are the substance of a study of leadership, a subject dealt with elsewhere in this book. In this section we are concerned with what power is, what authority is, where they come from and how to use them.

Definitions

Power - Power is the ability to make things happen. As the dictionary says, "to be able to do or act", "personal ascendancy".

Clearly a bank robber has a certain ability, through his gun, to gain access to funds in a bank vault. He is able to exert power. When the chief executive officer of the bank gains access to the same funds he exercises authority rather than power. He has access only because he has been given authority by others.

Authority - is often seen as "legitimised power". For authority to exist there must be:

1. Voluntary compliance - a choice not to comply must exist.
2. Suspension of judgment - detailed analysis is not carried out of each instruction.
3. Value orientation towards obedience.

Max Weber identified three common bases for legitimising power as authority. The first basis is *traditional* - the acceptance of instructions because they come from a traditional source. The second basis is *charismatic* - the characteristics of the person giving the instruction, who often has a strong presence. The third basis is *legal rational* - based on an understanding of the reason from the exercise of authority within certain constraints, a belief that it is useful. Often these three bases occur in a

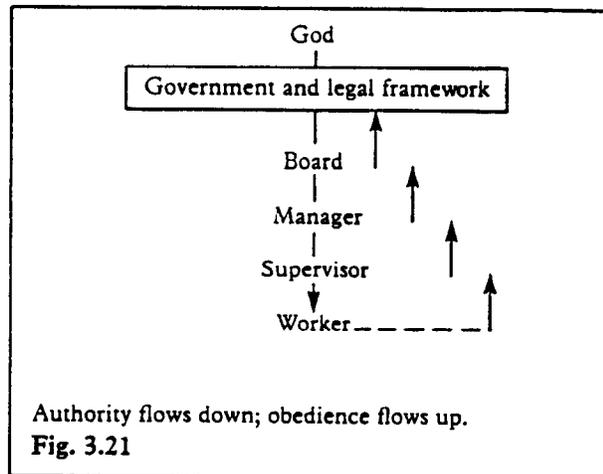
Views of formal authority

Traditional view - The traditional view of authority is to see it flowing down from some kind of divine right (see Fig. 3.21), divinely instituted. Refusal to obey superiors is eventually seen as rebellion against the established order. The Protestant ethic, to which so much of the Western world owes its prosperity, reinforced this view with an

emphasis on work being a "call" from God and service at work being to the glory of God and of merit in itself.

Acceptance and authority - Chester Barnard (1962) popularised an alternative view. He believed that authority is given by those under authority for a whole variety of reasons. Although the position of authority is often accepted, legitimate orders are not always obeyed and sometimes ignored. In explaining why compliance takes place when it does he suggests that before behaviour will be influenced four things must be true. The worker must:

1. Understand the communication.
2. Believe it to be not inconsistent with the purpose of the organisation.
3. Believe it to be in his or her own interest.
4. Be able to comply.



He also identified a "zone of indifference". By this he distinguished between the two clear areas of commands which would always be refused or obeyed (legitimate and illegitimate commands) and a grey area in which apathy and inertia make it likely that commands would be obeyed.

One of the chief difficulties in exercising authority and power is in identifying what is in fact in each area. Unfortunately the full extent of authority can only be established by demonstrating that it has been lost. The area of legitimate command can be gradually extended but great sensitivity is needed to avoid demonstrations that authority is in fact limited.

Sources of power and authority

There are at least five different bases or sources of potential power for managers in most organisations.

1. Reward Power

A whole range of informal and formal rewards are at the disposal of managers. Some may be formal - money, promotion, conditions of work, or resources. Others may be social and interpersonal - an invitation for a drink after work, inquiries about family, showing concern, positive encouragement and recognition.

2. *Coercive power*

The discretion over whether to reward also provides coercive, threatening power. The possibility of the withdrawal of privileges, affection or social contact can give power. Negative sanctions in the allocation of work or retaining of employment can also give power but are generally only used to maintain not improve standards of behaviour. Punishment is not a powerful motivator in an egalitarian welfare state.

3. *Legitimate power*

This type of power is rightly called authority. It often comes from position or an established right to influence people. People who are "only doing their job" when searching employees, conducting audits and allocating duties, have legitimate power in addition to those with generalised or management authority.

4. *Expert power*

Those in organisations with special experience, knowledge or skill gain power to influence. It may only be in particular circumstances and for short periods but it can be real. It can extend to low status employees and give junior staff power over senior staff. The computer programmer or accountant can be placed in positions of great power because of their relative expertise.

5. *Referent power*

Many people seek to identify to a greater or lesser extent with the successful people to whom they are exposed. Continued exposure to a successful manager often leads to a conscious or unconscious change of behaviour towards his or her style of work. Hard work, long hours, intolerance or graciousness are often emulated. Many managers notice changes in a colleague's subordinates when a new manager takes over and succeeds. Individuals try to be like the new person. A manager's conscious cultivation of the personal habits required in subordinates exerts powerful influence.

These are all sources only of potential power and the possession of all or some does not guarantee the ability to make things happen. Readers may like think about their work or a student situation and identify what sources of power their boss or professors have to influence their behaviour.

Using power in organisations

The exercise of power can be a very positive activity. It can display concern for individuals and for group goals. When it is exercised on behalf of and not over group members it can be encouraging for individuals and groups as a whole.

It can, however, be a negative activity. Its abuse can lead to unhealthy and unproductive dominance and submission. It can show itself as an exercise in "I have it - you don't". It can lead to the treatment of people at pawns and things.

Successful managers usually exercise power with constraint and self-control.

Using power well

Effective managers often show four characteristics in exercising power.

1. They are sensitive to the source of their present power and are careful to act only as people with that source of power should. For example, as a specialist they will be careful to behave the way an expert does, only in the area of expertise.
2. They develop their own power basis. This may be achieved by contacts, by developing expertise (for example, becoming familiar with microcomputers very early on, so that when they are introduced they will have expert power), by using career moves to broaden experience and by giving informal rewards to colleagues of a social or recognition nature.
3. They recognise which basis of power to use in different situations and with different people. They understand the risks, costs and benefits of using each kind of power.
4. They know and accept that power is necessary to get things done and are comfortable using power, tempering its use with self-control and avoiding its display and harsh application.

Power to the people

Many non-managers have substantial power. (This may well be on an informal basis.) Information can give power and provide the currency for trade within organisations. Information processors or handlers often gain power from the material they process. Secretaries and personal assistants can control access to senior executives; control of resources, whether stationery, office space, car pools, maintenance effort or printing effort give power too. An executive who ignore the lower status specialist take a severe risk.

An understanding of power is essential to understanding individual and group behaviour in organisations.

Conflict

Conflict is widespread and inevitable within organisations. It can occur within individuals when, for example, we need to sleep and also to work late to finish a special project. Conflict occurs within individuals, between individuals, between individuals and groups and between groups and whole organisations.

Definition - Conflict is a disagreement between two or more partners arising from the need to share resources or from the parties having different status, goals, values and perceptions which they wish to preserve or achieve.

Conflict differs from competition in the extent to which, in conflict, the parties can interfere with the other. Conflict exists when each party can actively and directly damage the other.

Sources of conflict - Scarce resources are an obvious source of conflict. Different *goals* unrelated to shortage of resources are another source of conflict. Differing *values* and perceptions produce potential for conflict. A different value orientation towards quality or output, expedience or principle, design or excellence, short- or long-term results, can all produce conflict.

There are other sources too. Some people learn to enjoy conflict for its own sake and engage in it habitually.

Traditional view of conflict

Contact with the mass media is sufficient to deduce the historically and currently prevalent view of conflict - the harm to efficiency done by disruptive disputes is highlighted. An underlying assumption is that conflict should not exist and could be eradicated if only both sides could see their true common interest.

The fact that the common interest does not overcome differences before active conflict behaviour is usually put down to four major factors:

1. *Agitators* - usually of the left, are claimed to be undermining society and to be taking politically motivated action. In New Zealand British trade unionists have been blamed for disputes involving riggers and other construction workers.
2. *Stupidity* - an alternative explanation is that one side is too stupid to see the truth or has been misled. This allegation is leveled by both sides at the other in some industrial disputes and initially in struggles for resources and power.
3. *Communication failure* is also blamed for conflict, the implication being that if the facts had been properly communicated then there would be no dispute.
4. *Personality* clashes are offered as an explanation for some conflict. Arthur Scargill, the British miners' leader, is blamed for a clash of personality with Mr McGregor, the Chief Executive of the Coal Board. Examples abound closer to home.

Efforts to improve industrial relations often reflect this underlying view, which is known as a *unitary* perspective, because it assumes all in an organisation are one. Attempts are often made to eliminate conflict.

Interactionist view

The work of Alan Fox (referred to in Chapter 7 on Industrial Relations) led to the perspective which starts from the basic assumption that there is a plurality of interests in any situation (hence the term pluralistic form of reference).

Conflict arises because of the different aims and perceptions of individuals. Conflict is, in fact, inevitable. It is, however, misleading to regard it as either good or bad. Conflict can be both helpful and harmful in terms of an organisation's objectives.

Once we accept that conflict is inevitable, attempts to eliminate it are, by definition, doomed to failure. The emphasis must move to managing conflict and it is important to capitalise upon the benefits of conflict while ensuring that destructive features are minimised.

An example of conflict with both good and bad consequences would be a dispute concerning budget allocations between two departments or ventures.

Functional (positive) effects of conflict are the possible better allocation to growing parts of the organisation, the pressure to use a smaller amount well and the more efficient control of expenses.

Dysfunctional (negative) effects of the conflict may be a long-term resultant refusal to co-operate or communicate or take part in the co-ordination of other activities.

The idea of managing and channeling conflict is not new as this 1926 quotation from management pioneer Mary Parker Follet shows:

We shall not be afraid of conflict but shall recognise that there is a destructive way of dealing with such moments (of conflict) and a constructive way. Conflict as the moment of the appearing and focusing of difference may be a sign of health a Prophecy of Progress.

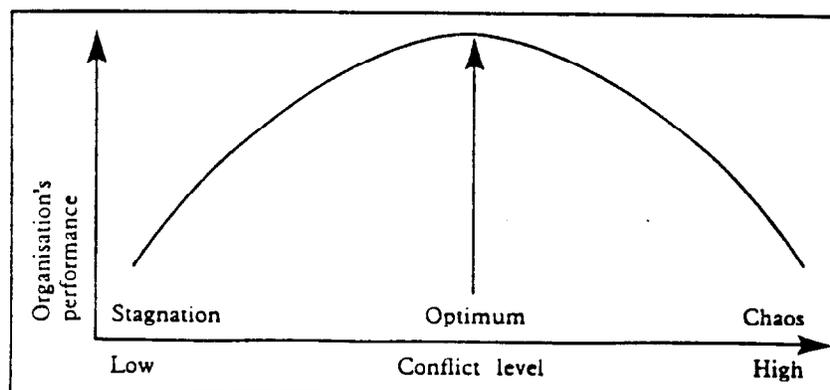
We need to expect conflict and to manage it effectively.

Optimum conflict

Marx is credited with saying that conflict is the engine of social progress and without conflict there can be no change. Stagnation is a vulnerable state for organisations. Almost all of them exist in changing environments which will render them extinct unless they change.

Extreme forms of conflict are also dangerous, leading to chaos and sometimes organisational failure. There will be an optimum level of conflict for an organisation at a particular time which will make it more effective. This is illustrated by the diagram. Interventions will at times be necessary to encourage conflict, at times to resolve or reduce it.

Fig. 3.22 Optimum conflict



In order to *stimulate* conflict a whole range of action is possible. We mention five briefly:

1. *Outsiders*

Bringing in experts from outside can often challenge existing perception and practices. One of the chief roles of management consultants is to give new perspectives and to ask new questions which will raise tension and conflict but may lead to a new way of doing things. If, however, the outsider is unsuccessful in bringing about change, then the victory over the outsider will encourage and entrench the existing order more firmly.

2. *Exclusion or inclusion in information networks*

Suddenly circulating information about resource allocation to university departments not used to receiving it can produce conflict if it is apparent that staff workloads are unevenly distributed and support inequitable. The denial of information can also cause conflict.

3. *Restructuring and ambiguity*

Restructuring to break up groups or reorganise them in some other way (perhaps to a regional/divisional structure) can lead to conflict during and after reorganisation. Ambiguity can also lead to conflict.

4. *Competition*

Undue emphasis on competition can lead to conflict in some circumstances.

5. *Supervisors*

The selection of task orientated managers for groups who have been used to people-centered management can cause conflict.

Reducing and resolving conflict

Where there is conflict, or the potential for it, a number of strategies may help.

1. *Provide favourable information* about the other party. It helps if the information is from a credible source. Information totally different from the present beliefs is difficult to accept and so care is needed in the gradual presentation of behaviour modifying information.
2. *Social Contact*
Increase pleasant social contacts and allow the parties to discover common interests which will help moderate conflict behaviour at work and prevent it becoming destructive.
3. *Common enemy or task*
The identification of a common enemy who threatens both conflicting parties will reduce conflict in the quest to deal with the greater threat. This threat can be the need to produce a report as much as the existence of an external aggression.
4. *Structure changes*
Just as restructuring can bring together those who will conflict, so too it can separate those who do already.

5. *Resolution mechanisms*

A number of techniques can be used to resolve conflict including:

- a. Co-ordinating groups and committees.
- b. Arbitration and other agreed procedures.
- c. Confrontation meeting.
- d. Integrative problem solving groups.
- e. Chance (drawing lots).
- f. Negotiation.
- g. Domination - allowing someone to win.
- h. Denial of conflict's existence - which will only be successful in the short term.

The conflict dynamic

Conflict goes through several stages before being seen (*manifest*). All conflict occurs because there is potential (*or latent*) conflict in a situation. This may be through goal divergence, resource allocation or other factors. When this conflict potential is present it may become *perceived*. Sometimes conflict may be perceived when there is no real basis for conflict. The perception of conflict is of far greater importance than the facts because individuals act on their perceptions not on the facts. Perceived conflict becomes *felt* conflict and anxiety and hostility are generated. These lead to action (*manifest*) conflict which leads to resolution or truce and further conflict.

Attempts to control the level of conflict need to focus not just on manifest conflict but on the earlier stages. Inequity should be considered, perception altered by attitude change, felt conflict perhaps given expression in some safe way - all before it takes place.

Groups and conflict

We have already discussed intergroup problems. The consequences of intergroup conflict are quite different for the winning group than for the losing group. The leaders of the winning group become stronger. In the losing group factions can develop, new leaders can emerge and the idea of change becomes more acceptable.

Afterthoughts

Something of the complexity of observing, understanding, predicting and influencing behaviour is probably apparent after reading this chapter. If nothing else readers may no longer believe that it is a simple task to understand behaviour at work. Our analysis has been necessarily limited to brief discussions of individuals, groups and even briefer discussion of organisational issues. It has ignored huge tracts of what is known about the organisation and its environment and most of what is known about men and women as individuals.

Even if we manage to make sense of the three major parts of our analysis, they are influencing each other and behaviour simultaneously. Our view can never be value free and dispassionate, whatever some social scientists would have us believe.

Yet, in all the complexity, managers are able to make sufficient sense out of what they see to develop a series of expectations and assumptions about what is likely to be relevant in deciding behaviour and are able to "get things done" through people. An admission that nothing is ever simple, a determination to become more effective and to achieve things through others are the prime conditions for success.

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