

Organisational
Psychology

Only study guide for
IOP2602

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IMPORTANT INFORMATION

Please register on myUnisa and activate your myLife e-mail address. Make sure that you have regular access to the myUnisa module site IOP2602/S1 OR IOP2602/S2, depending on which semester you are registered for, as well as your group site.

Note: This module is available on myUnisa. However, in order to support you in your studies, you will also receive certain study material in print format.

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ORIENTATION

A sincere welcome to the Department of Industrial and Organisational (I/O) Psychology and to the subject Organisational Psychology (IOP2602).

When you registered for this module, you became part of our department. We want you to know that we are here to guide and support you. Please keep this in mind and don't hesitate to contact us if you experience any problems with your studies.

Before you start working through this module, it is important to get an overview and some understanding of its content.



The aim of the module is to help you gain an understanding of human behaviour in organisations at individual, group and organisational level, including the effect of change on behaviour.

THE PURPOSE OF THIS MODULE

Organisational behaviour (OB) is a field of study that investigates the impact that individuals, groups and structure have on behaviour within an organisation, and it applies that knowledge to get organisations to operate more effectively. More specifically, OB focuses on how to improve productivity, reduce absenteeism, turnover and deviant workplace behaviour and increase organisational citizenship behaviour and job satisfaction (Robbins, Odendaal & Roodt 2017).

We all harbour generalisations about the behaviour of people. Some of our generalisations may provide valid insights into human behaviour, but many are erroneous. OB uses systematic study to improve upon predictions of behaviour, which would be made based only on intuition. But, because people are different, we need to look at OB in a contingency framework, using situational variables to moderate cause-effect relationships (Robbins et al 2017).

WHY THIS MODULE FORMS PART OF YOUR STUDIES

Students sometimes feel that they study a module that does not really contribute to their degree; some students also feel that the module cannot be utilised in their work environments. Let's try to put you at ease and explain where IOP2602 fits into the total picture. We will explain what I/O psychology is and what you can do with a degree in this field.

Each module in undergraduate training in the College of Economic and Management Sciences equips students with knowledge and skills to do work and assume certain roles in the community. Students who wish to specialise in industrial and organisational psychology have to take a number of modules that will equip them with sufficient knowledge of psychology and the skills to understand, evaluate and influence human behaviour in a work context.

What is industrial and organisational psychology? I/O psychology is an applied field of psychology. It provides valuable knowledge and insights that help us understand human behaviour in the workplace. It contributes to better management of people and helps individuals to develop their full potential in the world of work.

What can you do with a qualification in I/O Psychology? A qualification in I/O Psychology opens the door to a number of interesting and challenging careers, including the following:

Professional industrial psychologist
Human resources manager/practitioner
Organisational development (OD) consultant
Career counsellor
Specialist in psychological testing
Employment relations consultant
Training and development manager/practitioner
Recruitment and selection manager/practitioner
Consumer behaviour researcher/consultant
Researcher

IOP2602 is one of the compulsory modules for a degree in I/O Psychology, because it provides you with the necessary background to allow you to continue with your studies up to master's level. It also allows you to register as an industrial psychologist, which is a professional qualification recognised by the Health Professions Council of South Africa (HPCSA) after obtaining a master's degree.

In this module, IOP2602, Organisational Psychology contributes to the understanding of human behaviour in organisations at individual, group and organisational level, including the effect of change on behaviour.

THE FRAMEWORK OF THE MODULE

To be able to achieve the goals set out in this module, you will be expected to work through the study material and the prescribed textbook.

The prescribed book for organisational psychology is

Robbins, S. P., Judge, T. A., Odendaal, A., & Roodt, G. (2017). *Organisational behaviour: Global and Southern African perspectives* (1st Unisa custom edition). Cape Town: Pearson.

The study material is divided into several sections, with three broad themes:

- THEME 1:** Individual level (covering topics such as values, attitudes, motivation, perception and decision-making)
- THEME 2:** Group level (covering topics such as work groups and teams, power and conflict)
- THEME 3:** Organisational system level (covering topics such as organisational structure and culture)

The module content is based on the course diagram below, which supports Robbins and his co-authors' model (Figure 1.2) in chapter 1 (Robbins et al. 2017, p 25):

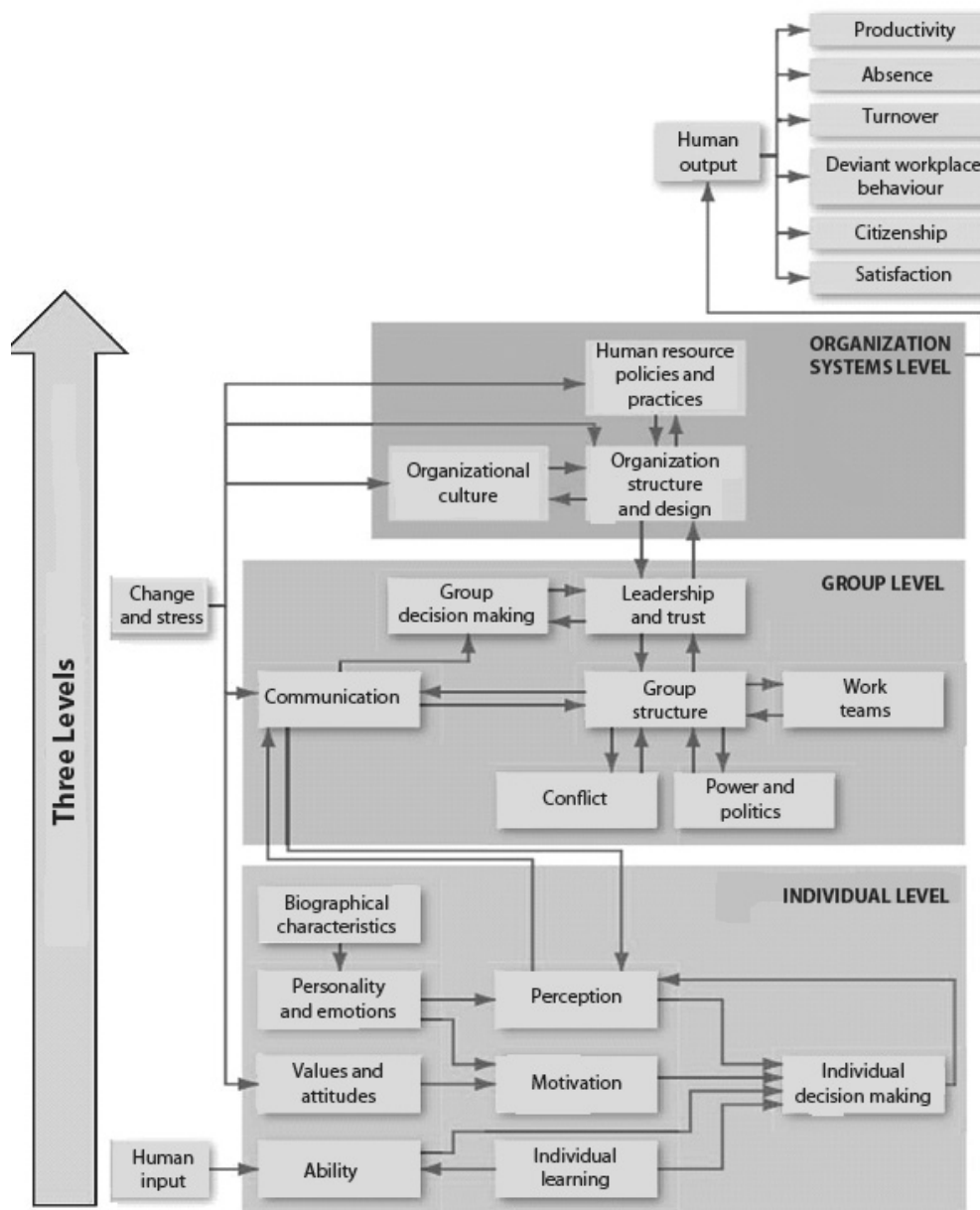


FIGURE 1.2: Basic OB model



THEME 1

Individual level

.....
Learning unit 1: Organisational psychology in context

.....
Learning unit 2: Attitudes, values and job satisfaction

.....
Learning unit 3: Perception and decision-making

.....
Learning unit 4: Motivation

LEARNING UNIT 1:



Organisational psychology in context



LEARNING OUTCOMES

After studying this learning unit, you should be able to:

- analyse the definition of organisational psychology (behaviour)
- describe what managers do
- explain the value of a systematic study of organisational behaviour (OB)
- list the major challenges facing and opportunities for managers in using OB concepts
- identify the contributions made to OB by major behavioural science disciplines
- describe why managers require a knowledge of OB
- identify the four levels of analysis in a basic OB model

WHICH CHAPTER DO I NEED TO STUDY?

Chapter 1

WHY ORGANISATIONAL PSYCHOLOGY?

Organisational psychology is a rapidly growing field of specialisation in industrial psychology, which studies the effect of individual behaviour, group behaviour and contextual variables (that is, structure, work design and technology) on organisational functioning. Its purpose is to promote effectiveness by applying knowledge.


- Organisational psychologists contribute to an organisation's success by improving the performance and wellbeing of its people.
- An organisational psychologist researches and identifies how behaviour and attitudes could be improved by means of hiring practices, training programmes and feedback systems.
- Organisational psychology can be divided into two broad areas of study, as is evident from its name: organisation and psychology.
- Some topics are related to individuals within a context.
- Contexts studied within organisational psychology include:
 - organisations
 - jobs
 - leadership
 - interaction among group or team members

- Topics, such as worker motivation, emotion and affect, as well as job attitude are also considered to be aspects of organisational psychology.
- Organisational psychologists are interested in making organisations more productive while ensuring physically and psychologically productive and healthy lives for workers.
- Organisational psychology is viewed as a scientific discipline, because these psychologists:
 - as scientists derive the principles of individual, group and organisational behaviour through research
 - as practitioners (consultants and staff psychologists) develop scientific knowledge and apply it towards solving problems in the workplace
 - as teachers train students in the research into and application of organisational psychology

Since organisational psychology studies the relationship between people and the world of work and its impact on the organisation, we will consider behaviour in organisations. Organisational behaviour (OB) is defined as a field of study that investigates the impact that individuals, groups and structure have on **behaviour** within organisations, for the purpose of applying this knowledge towards improving an organisation's effectiveness (Robbins et al, 2017). Often the two concepts of organisational psychology and organisational behaviour are used interchangeably.

The OB model has three levels of analysis.

These three levels constitute the core of this subject:

	Unit of analysis: individual	Contribution to OB: <ul style="list-style-type: none"> – Learning, motivation, personality, emotions, perception – Training, leadership effectiveness, job satisfaction – Individual decision-making, performance appraisal, attitude measurement – Employee selection, work design and work stress
	Unit of analysis: group	Contribution to OB: <ul style="list-style-type: none"> – Behavioural change – Attitude change – Communication – Group processes – Group decision-making
	Unit of analysis: organisational system	Contribution to OB: <ul style="list-style-type: none"> – Communication – Power – Conflict – Formal organisational theory – Organisational technology – Organisational change – Organisational culture

Our aim with this basic course is not to cover the full scope of organisational psychology (theory and application), but rather to provide you with an opportunity to become familiar with basic OB theory. At postgraduate level, however, there is a shift in emphasis to advanced theories and experimentation with possible applications.

In your first year, we introduced you to basic need theories (e.g. Maslow and Herzberg). These theories indicate that individuals have basic needs which they inevitably bring to the workplace. The presence of needs gives rise to employee expectations on the one hand while, on the other hand, the employer or organisation expects individuals to behave in a way that helps the organisation to achieve its productivity goals. The interaction between individual and organisation manifests itself in a psychological contract, that is, in an unwritten, dynamic, mutual agreement on the behaviour that the individual and the organisation expect from each other. By studying this contract or agreement, the field of organisational psychology attempts to increase both productivity and employee (worker) satisfaction.

WHAT MANAGERS DO

Managers cannot rely solely on their technical skills if they are to succeed in the modern organisation – they must also possess good people or interpersonal skills. Robbins et al (2017) discuss the four management functions and the roles that managers perform fairly comprehensively.



STUDY

Study these management functions and management roles carefully in your textbook and note the differences between effective and successful managerial activities (Robbins et al, 2017, pp 6–10).



ACTIVITY 1.1

Robert Katz in Robbins et al (2017) identifies three essential management skills. Identify these skills from the following list:

Possible essential management skills	Yes	No
Technical skills, Communication skills, Leading skills Control Human skills Planning Conceptual skills Networking skills		



FEEDBACK

All of the above are managerial functions that a manager needs to be skilled in. Robert Katz summarises the three essential management skills as follows:

Technical skills

The ability to apply specialised knowledge or expertise. All jobs require some specialised expertise and many people develop their technical skills on the job.

Human skills

The ability to work with, understand and motivate other people, both individually and in groups. Many people are technically proficient, but often incompetent as far as interpersonal relationships are concerned.

Conceptual skills

The mental ability to analyse and diagnose complex situations. Decision-making, for example, requires managers to spot problems, identify alternatives that could correct these problems, evaluate the various alternatives and then select the best alternative.

WHY A SYSTEMATIC STUDY?

Organisational psychology is a field of study that investigates the impact that individuals, groups and structure have on behaviour within organisations, for the purpose of applying this knowledge towards improving an organisation's effectiveness.

Most adults believe that they have a basic "knowledge of human nature", based on their observation of human behaviour, and this information is then used as a basis for generalisations. In chapter 3, this process is described as a perceptual error (see stereotypes), because perceptions often do not concur with reality. In contrast, scientific practice in organisational psychology means that we systematically collect information in a search for the truth.



STUDY

Study the section "Organisational Behaviour" in your textbook on p 10. Pay particular attention to the definition of OB.



ACTIVITY 1.2

If you want to understand this module, it is essential for you to understand the definition of OB. We have summarised the most important aspects of it, but left out some core words. Try to fill in the missing words before reading the feedback.

Organisational behaviour

- (1) OB is a field of study that investigates the that individuals, groups and structure have on behaviour within organisations for the purpose of this knowledge towards improving an organisation's
- (2) Organisational behaviour is a field of study.

- (a) It studies of behaviour in organisations: individuals, groups and structure.
- (b) In addition, OB applies the knowledge gained about individuals, groups and the effect of structure on behaviour, in order to make organisations work
- (3) OB is concerned with the study of what an organisation and how that affects the performance of the organisation.
- (4) There is increasing agreement on the components of OB, but there is still considerable about the relative of each of the following: motivation; leader behaviour and power; interpersonal communication; group structure and processes; learning; attitude development and perception; change processes, conflict; work design; and work stress.



FEEDBACK

Organisational behaviour

- (1) OB is a field of study that investigates the impact that individuals, groups and structure have on behaviour within organisations for the purpose of applying this knowledge towards improving an organisation's effectiveness.
- (2) Organisational behaviour is a field of study.
 - (a) It studies three determinants of behaviour in organisations: individuals, groups and structure.
 - (b) In addition, OB applies the knowledge gained about individuals, groups and the effect of structure on behaviour, in order to make organisations work more effectively.
- (3) OB is concerned with the study of what people do in an organisation and how that behaviour affects the performance of the organisation.
- (4) There is increasing agreement on the components of OB, but there is still considerable debate about the relative importance of each of the following: motivation; leader behaviour and power; interpersonal communication; group structure and processes; learning; attitude development and perception; change processes; conflict; work design; and work stress.

CONTRIBUTING DISCIPLINES TO THE OB FIELD

Organisational behaviour, or organisational psychology as we like to call it in South Africa, is an established field, which has developed rapidly since the beginning of the 20th century. Robbins et al (2017) give a comprehensive overview of the major contributory disciplines to the study of organisational behaviour/psychology. Take particular note of the contributions of the various behavioural sciences.



STUDY

Study the disciplines that contribute to OB in Robbins et al (2017), chapter 1, p 9, p 14, figure 1.1.



ACTIVITY 1.3

In what way has the response to globalisation in South Africa resulted in challenges facing OB?

Your answer could revolve around the many challenges facing people at work which are as a result of enormous changes which have taken place because of increased competition from globalisation. There is no right or wrong answer.

DEVELOPING AN OB MODEL

Organisational behaviour is complex because of the many variables involved. The nature of the work, supervisors, colleagues and the physical environment all influence individuals as they perform their organisational tasks. Because there are many intervening variables, we can simplify our understanding of OB by integrating the complex interrelationships between the variables into a model. The model has to meet certain requirements and the ultimate criterion for its usefulness is whether or not it could be subjected to an empirical test.



STUDY

In chapter 1, Robbins et al (2017) describe a model on which this module is based. Study the entire section entitled “Coming attractions: developing an OB model” (Robbins et al, 2017, p 25).

In this study material we will discuss each of the components of the model – that is, the individual, the group and the organisational system, in subsequent sections. (See Orientation at the beginning of this study material.) We will use this model to guide you through the module. Some components of the model (e.g. human resources policies and practices), which are discussed in other courses in Industrial Psychology, will be omitted from this course.

Note that the model described by Robbins et al (2017) is an ordinary systems model with input, a transformation process and output with several feedback loops. The model also clearly demonstrates the different system levels within the suprasystem (that is, the system as a whole). This is extremely useful, as we can study the various components in isolation and yet relate them to the other subsystems.

Remember the definition which stated that organisational psychology is a scientific study? As scientists of behaviour, we need a *modus operandi* (or way of working) that lends credibility to our findings and conclusions. In other words, we need to conduct research into organisations as a way of studying and explaining behaviour. We are especially interested in causality and in trying to explain it, but we must meet certain scientific standards in our studies. We need to do research and evaluate others’ research. Several scientific methods and research settings are important, because they influence the credibility of the relationship between the dependent and independent variables. Take note of how Robbins et al (2017) relate the independent variables to the dependent variables.



ACTIVITY 1.4

Let's see if you understand some of the concepts relating to the basic OB model.

- (1) Dependent variables are the key factors that you want to explain or predict, and that are affected by some other factor. List the five dependent variables in the basic OB model.
- (2) Independent variables constitute the presumed cause of some changes in the dependent variable. List the three main building blocks (independent variables) of the basic OB model.



FEEDBACK

- (1) The dependent variables are:
 - job satisfaction
 - deviant workplace behaviour
 - turnover
 - absenteeism
 - productivity
- (2) The independent variables are:
 - individual level variables
 - group level variables
 - organisational system level variables

These three levels are analogous to building blocks, as each level is constructed on top of the previous level. Group concepts grow out of the foundation laid in the individual sections, which overlay structural constraints on the individual and group, in order to arrive at organisational behaviour.

@ Internet source – Check the web for information. This is recommended additional reading, but it is not compulsory.

SUMMARY

Chapter 1 introduced you to the field of organisational psychology. The field was defined and its development briefly outlined. You were also introduced to the model used in this module and to the research practices and variables.



TEST YOURSELF

To prepare yourself for the examination, answer the following questions:

ESSAY QUESTIONS

- (1) Discuss the disciplines that contributed to the field of organisational behaviour. (10)
- (2) Define the term “management” and discuss the four management functions. (10)
- (3) What do managers do in terms of roles? Differentiate between successful and effective managers. What are the similarities between them? (15)
- (4) Define the construct “organisational behaviour”. How does it compare with management? (5)
- (5) In what way does OB present managers with opportunities to be effective? (15)
- (6) If job satisfaction is not a form of behaviour, why is it considered an important dependent variable? (5)
- (7) What are the four levels of our OB model? Are they related and, if so, how are they related? (5)
- (8) Name and briefly discuss five forces towards change in the global arena. (15)

MULTIPLE-CHOICE QUESTIONS

- (1) The single biggest reason for managerial failure is
 - 1 poor interpersonal skills.
 - 2 lack of education.
 - 3 poor training.
 - 4 lack of experience.

- (2) ... was a French industrialist who wrote that all managers perform five management functions.
 - 1 Abraham Maslow
 - 2 Henri Fayol
 - 3 Jacques LeBeau
 - 4 Douglas McGregor

- (3) The four management functions include all of the following, except
 - 1 control.
 - 2 planning.
 - 3 staffing.
 - 4 organising.

- (4) The three levels of analysis studied in organisational behaviour are ...
 - 1 organisational structure, work and absenteeism.
 - 2 groups, human performance and management.
 - 3 absenteeism, employment turnover and productivity.
 - 4 individuals, groups and organisational systems.

- (5) Which one of the following is not an element of organisational behaviour?
- 1 individuals
 - 2 organisations
 - 3 competitors
 - 4 groups
- (6) According to Robbins et al (2017), the best approach to obtaining knowledge about human behaviour is ...
- 1 the common sense approach.
 - 2 an observational approach.
 - 3 a systematic approach.
 - 4 a theoretical approach.
- (7) Which one of the following does not form part of “systematic” study?
- 1 developing an intuitive hypothesis
 - 2 looking at relationships
 - 3 attempting to determine causes and effects
 - 4 basing conclusions on scientific evidence
- (8) Which behavioural science discipline made the most significant contribution to understanding individual behaviour?
- 1 sociology
 - 2 social psychology
 - 3 psychology
 - 4 anthropology

ANSWERS TO ESSAY QUESTIONS

You will find the answers to all eight questions in the textbook. To help you with the format of your answers, have a look at how to answer question 7.

Question 7: What are the four levels of our OB model? Are they related and, if so, how are they related?
(5)

This question actually covers the core of our course. It shows the four key dependent variables and a large number of independent variables. Although the model appears to be complicated, it will become more clear as you work through the textbook and learning units.

The OB model proposes that there are four levels of analysis in OB and that, as we move from individual level, through to group level to organisational system level and environmental level, we systematically add to our understanding of behaviour in organisations. The four basic levels are analogous to building blocks, as each level is constructed on top of the previous one. Group concepts grow out of the foundation laid in the individual section, and we overlay structural constraints on the individual and group in order to arrive at organisational behaviour. The environmental forces are in interaction with the organisation.

ANSWERS TO MULTIPLE-CHOICE QUESTIONS

- (1) = 1
- (2) = 2
- (3) = 3
- (4) = 4
- (5) = 3
- (6) = 3
- (7) = 1
- (8) = 3

LEARNING UNIT 2:



Attitudes and job satisfaction



LEARNING OUTCOMES

After studying this learning unit, you should be able to:

- describe the nature of attitudes
- explain what determines job satisfaction
- explain the relationship between job satisfaction and behaviour
- define values and demonstrate their importance

WHICH CHAPTERS DO I NEED TO STUDY?

Chapters 2

ATTITUDES

The role of attitudes and job satisfaction received a great deal of attention from OB researchers. Job satisfaction was studied as both a dependent and independent variable. This learning unit deals with all these interesting matters.

An attitude is a favourable or unfavourable disposition towards objects, individuals or events. Attitudes are far more specific than values. If, for example, a person makes the statement that smoking involves a health risk, we cannot infer what that person feels about smokers. However, if the same person were to say that they don't like smokers, we can immediately infer the person's feelings and therefore that person's attitude towards smokers. Attitudes thus give an indication of how an individual tends to act towards people, groups, ideas or objects. Take note of the types of attitudes, as well as attitudes and consistency.



STUDY

Know the difference between the three main components of attitudes.



ACTIVITY 2.1

Based on the information that you studied about what constitutes an attitude, answer the following questions:

What are the main components of attitudes? Are these components related or unrelated?



FEEDBACK

Figure 2.1 (Robbins et al 2017, p 44) summarises the components of an attitude:

- (1) The cognitive component aspect of an attitude, which is a description of or belief in the way things are.
- (2) The affective component; affect is the emotional or feeling segment of an attitude.
- (3) The behavioural component intention is to behave in a certain way towards someone or something.

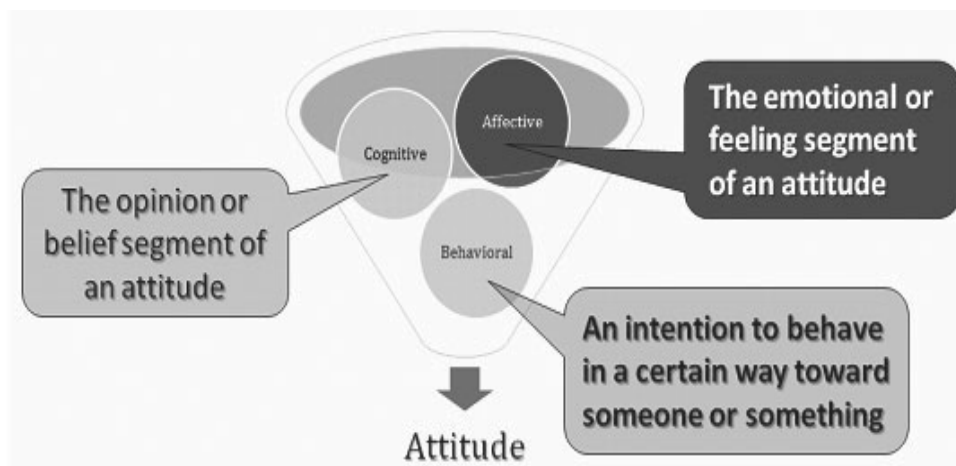


FIGURE 3: Components of an attitude (Robbins et al, 2017)

These three components are closely related, and cognition and affect, in particular, are inseparable in many ways.

Does behaviour always follow from attitudes?

Not always. However, this is determined by “cognitive dissonance”, which refers to any incompatibility between two or more attitudes or between behaviour and attitudes:

- Individuals seek to reduce this uncomfortable gap or dissonance in order to reach stability and consistency.
- Consistency is achieved by changing attitudes, modifying behaviour or through rationalisation.
- The desire to reduce dissonance depends on
 - the importance of the elements

- the degree of individual influence
- the rewards involved in dissonance

Some moderating variables strengthen the link between attitudes and future behaviour. The five most powerful moderators of the attitude-behaviour relationship are:

- the importance of the attitude
- correspondence to behaviour
- accessibility
- the existence of social pressures
- personal and direct experience of the attitude

Important attitudes have a strong relationship with behaviour. The closer the match between attitude and behaviour, the stronger the relationship. Specific attitudes predict specific behaviour. General attitudes predict general behaviour. The more frequently expressed an attitude, the better a predictor it is. High social pressures reduce the relationship and may cause dissonance. Attitudes, based on personal experience, are stronger predictors.

What are the major job attitudes?

Three work-related attitudes can be identified:

- job satisfaction, which refers to a person's general attitude to their job
- job involvement, which is the degree to which a person psychologically identifies with the job
- organisational commitment, which is a state in which an employee identifies with a particular organisation and its goals, and wishes to maintain membership of the organisation

JOB SATISFACTION

Although job satisfaction was briefly discussed in earlier learning units, we will now look at how it can be measured, what determines job satisfaction and its effect on employee performance. Robbins et al (2017) explain how job satisfaction can be measured, either by responses on a five-point scale (similar to the attitude measurement) or by identifying specific elements in a job and then asking employees about their feelings about each element.

- Job performance
 - Satisfied workers are more productive AND more productive workers are more satisfied!
 - This causality may run both ways.
- Organisational citizenship behaviour (OCB)
 - Satisfaction influences OCB via perceptions of fairness.
- Customer satisfaction
 - Satisfied frontline employees increase customer satisfaction and loyalty.

- Absenteeism
 - Satisfied employees are moderately less likely to miss work.
- Turnover
 - Satisfied employees are less likely to resign.
 - There are many moderating variables in this relationship:
 - economic environment and tenure
 - organisational actions taken to retain high performers and to weed out poor performers
- Workplace deviance
 - Dissatisfied workers are more likely to unionise, abuse substances, steal, be tardy and to withdraw.

Despite the overwhelming evidence of the impact of job satisfaction on the bottom line, most managers are either unconcerned about or overestimate worker satisfaction.



STUDY

Study the sections on what determines job satisfaction and the effect of job satisfaction on employee performance (Robbins et al, 2017, pp 55–60). Furthermore, take note of the factors that influence job satisfaction and the ways in which employees can express their dissatisfaction with an organisation.



ACTIVITY 2.2

Read the case study entitled “Long hours, hundreds of emails and no sleep”. Does this sound like a satisfying job and then answer the four questions (Robbins et al, 2017, p 64). Do not neglect to work through this case study. It will help you to achieve a better understanding of and integrate the different concepts in this learning unit.

SUMMARY

In this learning unit we studied the nature of attitudes and their importance in organisational psychology. We also focused on the implications of employees’ efforts to reduce cognitive dissonance and the fact that dissonance can be managed.



TEST YOURSELF

To prepare yourself for possible examination questions, answer the following questions:

ESSAY QUESTIONS

- (1) Compare the cognitive and affective components of attitude. (5)
- (2) What is the relationship between job satisfaction and absenteeism, and job satisfaction and turnover? Which is the stronger relationship? (5)
- (3) Define job satisfaction and discuss what determines job satisfaction. (15)
- (4) Compare exit, voice, loyalty and neglect as employee responses to job satisfaction. (8)

If you are not sure how to answer these questions, then study the learning unit and relevant chapter once again.

MULTIPLE-CHOICE QUESTIONS

- (1) Thabo feels very strongly that individuals should be evaluated and given opportunities based on their abilities, and not on who they know or who they are. Thabo's feelings about this issue represent the ... component of his attitude.
 - 1 cognitive
 - 2 affective
 - 3 behavioural
 - 4 organisational
- (2) The most powerful moderating variables of an individual's attitude include
 1. the generalisability of their attitude to other situations.
 2. their education and level of intellectual capacity.
 3. the reliability of attitude.
 4. how easily attitude is remembered.
- (3) Which one of the following is not an attitude?
 - 1 job productivity
 - 2 job satisfaction
 - 3 job involvemen
 - 4 organisational commitment
- (4) The best predictor of turnover is ...
 - 1 job satisfaction.
 - 2 personality.
 - 3 organisational commitment.
 - 4 values.

- (5) Employees are most likely to respond to efforts towards change made by someone who ...
- 1 is liked, credible and convincing.
 - 2 has an impressive title.
 - 3 is considerably older than the workers themselves.
 - 4 is new to the organisation.
- (6) Job satisfaction is best described as ...
- 1 behaviour.
 - 2 value.
 - 3 an attitude.
 - 4 resulting in high performance.
- (7) Steve is unhappy with his job. He takes every possible vacation leave and a lot of sick leave, and sometimes shows up late for work. How is he expressing his dissatisfaction?
- 1 exit
 - 2 voice
 - 3 loyalty
 - 4 neglect

ANSWERS TO ESSAY QUESTIONS

We decided to give you guidelines on how to answer two of the shorter but sometimes more difficult questions:

Question 2: What is the relationship between job satisfaction and absenteeism, and job satisfaction and turnover? Which is the stronger relationship? (5)

Answer: You don't have to elaborate much in the answer to this question – it could be very brief.

There is a consistent negative relationship between satisfaction and absenteeism, but the correlation is less than 0,40. The satisfaction-turnover relationship is also negative, but the correlation is stronger than for absenteeism.

Question 4: Compare exit, voice, loyalty and neglect as employee responses to job dissatisfaction. (8)

Answer: People can respond to dissatisfaction along two dimensions: constructive destructive and active passive. These combine to form four expressive outlets, namely exit, voice, loyalty and neglect. Exit is synonymous with turnover. Neglect includes absenteeism and reduced productivity. Voice and loyalty are constructive responses, the first being active and the latter passive.

ANSWERS TO MULTIPLE-CHOICE QUESTIONS

(1) = 2

(2) = 4

(3) = 1

(4) = 3

(5) = 1

(6) = 3

(7) = 3

(8) = 4

LEARNING UNIT 3: _____



Perception and decision-making



LEARNING OUTCOMES

After studying this learning unit, you should be able to:

- demonstrate, by means of examples, how two people can see the same thing and interpret it differently
- list the three determinants of attribution
- apply the two perceptual errors that distort attributions and discuss frequently used shortcuts in judging others
- supply examples of a self-fulfilling prophecy from personal experience
- describe and demonstrate personal experience of the rational decision-making model
- explain the three ethical decision criteria
- act ethically when confronted with a compromising situation

WHICH CHAPTER DO I NEED TO STUDY?

Chapter 3 in Robbins et al (2017)

In this learning unit, you will learn about:

- the forming of perceptions
- the link between perception and individual decision-making
- the role of ethics in decision-making

The other themes covered in chapter 3 of the textbook, which were not mentioned in the paragraph above, are for reading purposes only. Please read these sections for background information.

WHAT IS PERCEPTION AND WHICH FACTORS INFLUENCE PERCEPTION?

Our judgements about people are based on perceptions and interpretations. Perception is a process by which individuals organise and interpret their sensory impressions in order to assign meaning to their environment. What we perceive can actually be substantially different from objective reality.

Perception is important in the study of OB, because individuals behave in a given manner, based not on the way their external environment actually is, but rather on how they see or believe it to be. An organisation may spend millions of rand creating a pleasant work environment for its employees, but if an employee believes that their job is lousy, that employee will behave accordingly. It is the employee's perception of a situation that becomes the basis for their behaviour.

The employee who perceives their supervisor as a hurdle reducer who helps the employee to do a better job, and another employee who sees the same supervisor as “big brother”, who closely monitors the employee’s every move to ensure that the employee keeps on working, will differ in their behavioural responses towards their supervisor. The difference has nothing to do with the reality of the supervisor’s actions – the difference in employee behaviour is due to different perceptions.

By reading the following example, you will see that there are various factors that could influence perception. These factors reside either in the perceiver, in the objector, or in the target being perceived.



ACTIVITY 3.1

If you have a reputation as a good student, yet fail one test in a course, the instructor will probably disregard your poor result in that one test. Why? Would the same instructor’s actions be the same if a student had a consistent record of being a poor performer?



FEEDBACK

The instructor would probably attribute the cause of this unusual performance to external conditions. The instructor’s actions probably would not be the same if a student had consistently poor performance.



STUDY

Study the different factors in the perceiver, the target and the situation that influence perception. Figure 3.2 in Robbins et al (2017) summarises the factors influencing perception.

PERSONAL PERCEPTION: MAKING JUDGEMENTS ABOUT OTHERS

In this section we are going to discuss attribution theory, the two perceptual errors or the bias distorting attributions, frequently used shortcuts in our judging of others and how we judge others in organisations.

Our perceptions of people differ from our perceptions of lifeless objects because people harbour beliefs, motives or intentions. The result is that when we observe people, we attempt to develop explanations as to why they behave in specific ways. Attribution theory was proposed to develop explanations of the ways in which we judge people differently, depending on what meaning we attribute to any given behaviour. The theory proposes that, when we observe an individual’s behaviour, we attempt to determine whether it was caused internally (behaviour under the personal control of the individual) or externally (behaviour resulting from outside causes).

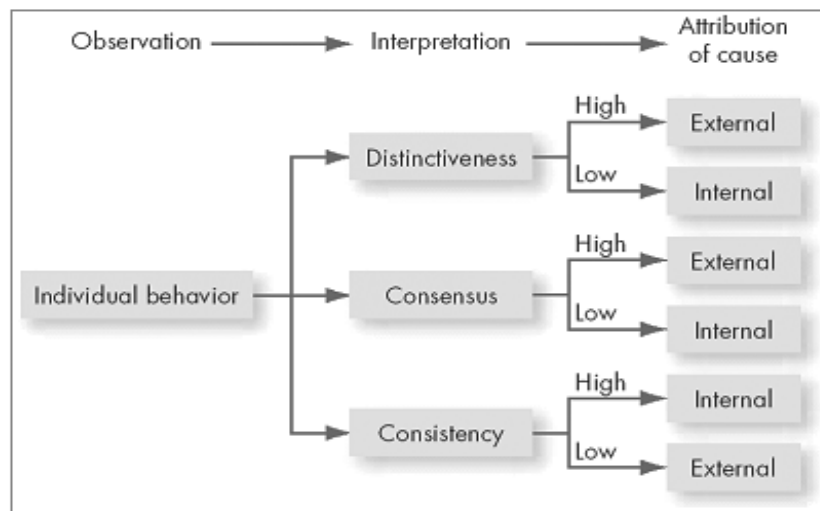


FIGURE 4: Elements of attribution theory (Robbins et al, 2017, p 79)

That determination depends largely on three factors, namely distinctiveness, consensus and consistency.

- Distinctiveness: Shows different kinds of behaviour in different situations.
- Consensus: The response is the same as that of others to the same situation.
- Consistency: Responds in the same way over time.

Findings from attribution theory also indicate that there are errors or bias distorting distributions, namely the fundamental attribution error and the self-serving bias, which are described in Robbins et al (2017).

According to Robbins et al (2017), external and internal attribution gives rise to shortcuts when we judge others. These shortcuts or perceptual errors are not foolproof and can land us in trouble. Make sure that you understand all five shortcuts, namely selective perception, the halo effect, contrast effects, projection and stereotyping. These shortcuts are discussed in Robbins et al (2017).

People in organisations are always judging one another, which has important consequences for these organisations. Consider all five of the obvious applicators of judging others in organisations and pay special attention to the “self-fulfilling prophecy”, which is particularly relevant when we consider performance expectations on the job.



STUDY

Study attribution theory and make sure that you understand the determinants of attribution. See figure 3.3 in Robbins et al (2017) for a summary of attribution theory.

- Study the two errors or the bias distorting attributions.
- Study the five frequently used shortcuts used in judging others.
- Study self-fulfilling-prophecy as a judgement of others in organisations.



ACTIVITY 3.2

Based on the information that you have gained from this chapter up to now, answer the following questions. Once you have answered these questions, compare your answers with the answers we provide in the feedback.

- (1) How are our perceptions of our own actions different from our perceptions of the actions of others?
- (2) Give examples from your personal experience of each of the following shortcuts we employ in our judgement of others:
 - (a) the halo effect
 - (b) selective perception
 - (c) stereotyping
 - (d) contrast



FEEDBACK

- (1) One of the more interesting findings from attribution theory is that there are errors or bias distorting attributions. There is substantial evidence that we have a tendency to underestimate the influence of external factors and overestimate the influence of internal or personal factors. This is the fundamental attribution error. There is also a tendency among individuals to attribute their own successes to internal factors, such as ability or effort, while putting the blame for failure on external factors, such as (bad) luck. This is a self-serving bias and suggests that the feedback provided to employees will be distorted by the recipients.
- (2) You will find many examples in Robbins et al (2017, pp 80–83) to which you could compare your examples. Make sure that your examples describe the following:
 - (a) The halo effect: The tendency to form a general impression on the basis of a single characteristic.
 - (b) Selective perception: Perceive any characteristics that define a person.
 - (c) Stereotyping: The tendency to judge someone on the basis of your perception of the group to which that person belongs.
 - (d) Contrast: The tendency of your reaction to a person to be influenced by another person you have recently encountered.

Did you answer these questions correctly? If you are still uncertain, go back to Robbins et al (2017) and study the section on perceptual errors and shortcuts in judging others once again.

THE LINK BETWEEN PERCEPTION AND INDIVIDUAL DECISION-MAKING

All elements of problem identification and the decision-making process are influenced by perception:

- Problems must be recognised.
- Data must be selected and evaluated.

Perception is linked to individual decision-making. Individuals think and reason before they act. It is because of this that an understanding of how people make decisions could be helpful when explaining and predicting their behaviour.

HOW SHOULD DECISIONS BE MADE?

The optimising decision-maker is rational. He or she makes consistent, value-maximising choices within specified constraints. These choices are made by following a six-step, rational decision-making model (Robbins et al, 2017, p 86).



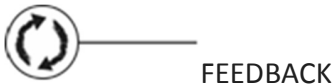
STUDY

Study the six steps in the rational decision-making process, as well as the assumptions of this model.



ACTIVITY 3.3

What do you think differentiates a good decision that you have recently made from one of your poorer decisions? Relate your answer to the six-step, rational model.



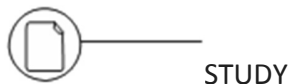
FEEDBACK

The optimising decision-maker is rational and makes consistent, value-maximising choices within specified constraints. These choices are made by following a six-step, rational decision-making model.

- Define the problem. Many poor decisions can be traced to the decision-maker who overlooked a problem or defined the wrong problem.
- Identify the decision criteria that are important for solving the problem. This comprises the decision-maker's interests, values and similar personal preferences. Any factors not identified in this step are considered irrelevant to the decision-maker.
- Weigh the previously identified criteria in order to give them the correct priority in the decision.
- Generate possible alternatives that might help to resolve the problem.
- Critically analyse and evaluate each alternative.
- Finally, compute the optimal decision.

ETHICS IN DECISION-MAKING

Ethical considerations should be important criteria in organisational decision-making. Make sure that you understand the three ethical decision criteria, as well as the guidelines for making ethical decisions.



STUDY

Study the three ethical decision criteria, as well as the guidelines for making ethical decisions in Robbins et al (2017, p 102):

- Utilitarianism
 - Pro: Promotes efficiency and productivity.
 - Con: Could ignore individual rights – especially those of minorities.

- Fundamental liberties and privileges
 - Pro: Protects individuals from harm and preserves rights.
 - Con: Creates an overly legalistic work environment.

- Justice
 - Pro: Protects the interests of weaker members.
 - Con: Encourages a sense of entitlement.



ACTIVITY 3.4

Assume that you are a middle-line manager in a company with about 1 000 employees. How would you respond to the following situation?

You are negotiating a contract with a potentially very big customer whose representative has hinted that you will almost certainly get the contract if you give him and his wife an all-expenses-paid cruise to the Caribbean. You know the representative’s employer would not approve of such a “payoff”, but you have the discretion to authorise the expenditure. What would you do?



FEEDBACK

Responses will vary significantly as far as the level of ethics is concerned. The point of this question is to help you to develop your own ethical framework. The question should be analysed, based on the following criteria:

- Impact on people: Who are the key stakeholders? What is the potential for them coming to harm?
- Organisational systems: In what way does the organisation’s way of doing business, its policies and procedures contribute to the ethical conflict?
- Choice: What alternatives do they have? How big a risk do they face in doing the ethical thing?

@Internet source – Check the web for information. This is recommended additional reading, but it is not compulsory.

SUMMARY

In this learning unit we examined the important role of perception-forming work behaviour, with specific reference to attribution theory and various perceptual errors. We also discussed the way in which perception is linked to individual decision-making and the role of ethics in decision-making.



TEST YOURSELF

To prepare yourself for possible examination questions, answer the following questions:

ESSAY QUESTIONS

- (1) Define perception. (3)
- (2) Discuss attribution theory. (10)
- (3) Discuss common perceptual errors. (10)
- (4) What is stereotyping? Give an example of how stereotyping could create perceptual distortion. (10)
- (5) Discuss the term “self-fulfilling prophecy”. (5)
- (6) Discuss the six steps in the rational decision-making model. (10)
- (7) Discuss the three different ethical decision criteria. (6)
- (8) Discuss the guidelines for making ethical decisions. (10)

MULTIPLE-CHOICE QUESTIONS

- (1) Which one of the following is not a factor that influences perception?
 - 1 target
 - 2 society
 - 3 perceiver
 - 4 situation

- (2) The theory that was proposed to develop explanations of the way in which we judge people differently, depending on what meaning we assign to a given kind behaviour, is called ... theory.
 - 1 behavioural
 - 2 judgemental
 - 3 equity
 - 4 attribution

- (3) One of the shortcuts used to judge others involves evaluating a person based on how that person compares with other individuals with regard to the same characteristic. This shortcut is known as ...
 - 1 selective perception.
 - 2 the contrast effect.
 - 3 the halo effect.
 - 4 prejudice.

- (4) Which of the following is not an example of stereotyping?
 - 1 Men are not interested in child care.
 - 2 Older workers cannot learn new skills.
 3. This applicant was good at her last job, so she will be good at this one.
 - 4 Women will not relocate for a promotion.

- (5) When one person inaccurately perceives a second person and the resulting expectations cause the second person to behave in ways consistent with the original perception, then ... has taken place.
- 1 stereotyping
 - 2 a self-fulfilling prophecy
 - 3 a self-serving, biased fundamental attribution error
- (6) How individuals in organisations make decisions and the quality of their final choice are largely influenced by their ...
- 1 personality.
 - 2 perceptions.
 - 3 experience.
 - 4 job satisfaction.
- (7) Decision-making is initiated by ...
- 1 a problem.
 - 2 a solution.
 - 3 conflict.
 - 4 perceptual distortion.
- (8) In the following decision-making steps, which would come first?
- 1 generating alternatives
 - 2 identifying criteria
 - 3 making a choice
 - 4 implementing the decision

ANSWERS TO ESSAY QUESTIONS

All the answers to the essay questions can easily be obtained by working through chapter 6. To help you with the more difficult questions, we will briefly provide some guidelines on how to answer questions 2 and 5.

Question 2: Discuss attribution theory.

(10)

You should mention the following points in your answer:

Attribution was proposed to explain that we judge people differently, depending on what meaning we attribute to a given kind of behaviour. We attempt to determine whether that behaviour was caused internally or externally. (4 marks)

This depends on three factors, namely distinctiveness, consensus and consistency.

Behaviour that is caused externally is attributed to the environment, while internal behaviour is attributed to those things that are believed to be under the personal control of the individual.

Distinctiveness refers to whether an individual displays different kinds of behaviour in different situations. If everyone who is faced with a similar situation responds in the same way, we can say that the behaviour shows consensus.

Finally, an observer looks for consistency in a person's actions. (6 marks)

Question 5: Discuss the term "self-fulfilling prophecy". (5)

The best way to answer this question is first to define the concept (3 marks) and then to discuss it (2 marks).

A self-fulfilling prophecy is when one person perceives a second person inaccurately and the resulting expectations cause the second person to behave in ways consistent with the original perception.

Now explain the concept or provide an example (2 marks).

The term "self-fulfilling" evolved to characterise the fact that people's expectations determine their behaviour; in other words, if a manager expects big things from his people, they are not likely to let him down. The opposite is also true.

ANSWERS TO MULTIPLE-CHOICE QUESTIONS

(1) = 2

(2) = 4

(3) = 1

(4) = 2

(5) = 3

(6) = 2

(7) = 2

(8) = 1

(9) = 2

LEARNING UNIT 4:



Motivation



LEARNING OUTCOMES

After studying this learning unit, you should be able to:

- describe the different theories of motivation
- see and explain the interrelatedness between the different theories of motivation
- identify cultural bias in theory formulation, as demonstrated by the theories of motivation
- apply motivational theories in an organisational context

WHICH CHAPTERS DO I NEED TO STUDY?

Chapter 4

WHAT IS MOTIVATION?

The issue of motivation is probably one of the most important and extensively researched areas in OB. In this learning unit we will define motivation and also review both the early and contemporary theories of motivation. We will discuss the interrelatedness between the different theories and the use of either one theory or the integrated model. Motivation theories are culture-bound and care should be taken in the cross-cultural application of theories.

The focus of this learning unit is also on how to apply motivational concepts – that is, how to link theory to practice. Robbins et al (2017) assert that it is one thing to be able to “regurgitate” motivational theories, but it is often something else to see how managers or supervisors can use them. In this learning unit we look at a number of motivational techniques and programmes that have gained varying degrees of acceptance in practice.

Motivation is an extensive subject on which there are diverse opinions. We define it briefly as the processes that account for an individual’s intensity, direction and persistence of effort towards attaining a goal. We will narrow the focus to organisational goals, in order to reflect our singular interest in work-related behaviour.



STUDY

Study the section entitled “Defining motivation?” in chapter 4 in Robbins et al (2017, p 122) before you attempt the following activity. Make sure that you are able to define motivation and describe its three key elements.



ACTIVITY 4.1

Does motivation come from within a person or is it a result of the situation? Explain your answer.



FEEDBACK

Many people incorrectly view motivation as a personal trait – in other words, some have it and others don't. Motivation is the result of interaction between the individual and the situation. Robbins et al (2017) define motivation as the processes that account for an individual's intensity, direction and persistence of effort towards attaining a goal. There are three key elements involved:

1. Intensity is concerned with how hard a person tries. This is the element that most of us focus on when we talk about motivation.
2. Direction is the orientation that benefits the organisation.
3. Persistence is a measure of the duration of time during which a person can maintain their effort. Motivated individuals stay with a task long enough to achieve their goals.

EARLY THEORIES OF MOTIVATIONAL ABILITY

Robbins et al (2017, pp 123–128) discuss the three motivational theories that were developed in the 1950s. Although these theories are interrelated and are questionable in terms of validity, they are the best known explanations of employee motivation. They also represent the foundation from which the contemporary theories have developed. Furthermore, practising managers use these theories to explain employee motivation.

Maslow's hierarchy of needs:

- Physiological needs include hunger, thirst, shelter, sex and other bodily needs.
- Safety needs include security and protection from physical and emotional harm.
- Social needs include affection, a feeling of belonging, acceptance and friendship.
- Need for esteem includes internal esteem factors, such as self-respect, autonomy and achievement; and external esteem factors, such as status, recognition and attention.
- Self-actualisation is the drive to become what you are capable of becoming, which includes growth, achieving your potential and self-fulfilment.

Figure 4.1 in Robbins et al (2017, p 123) illustrates Maslow's hierarchy of needs. Physiological and safety needs (lower-order needs) must be met before the higher-order needs (social, esteem and self-actualisation needs) can be satisfied. Where poverty and unemployment are a concern, people will focus primarily on their lower-order needs, such as food and shelter.

McGregor's Theory X and Theory Y

Theory X (basically negative) and Theory Y (positive)

- Managers used a set of assumptions based on their view.
- The assumptions shaped their behaviour towards employees.

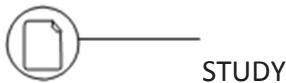
Theory X	Theory Y
<ul style="list-style-type: none"> • Workers have little ambition • Dislike work • Avoid responsibility 	<ul style="list-style-type: none"> • Workers are self-directed • Enjoy work • Accept responsibility

FIGURE 5: Theory X and Theory Y Herzberg’s motivation-hygiene theory

Intrinsic factors, such as advancement, recognition, responsibility and achievement seem to be related to job satisfaction. Dissatisfied respondents tend to cite extrinsic factors, such as supervision, pay, company policy and working conditions. Job satisfaction factors are separate and distinct from job dissatisfaction factors.

CONTEMPORARY THEORIES OF MOTIVATION

The previous theories are well known but, unfortunately, did not hold up well under close examination. The more contemporary theories all have a reasonable degree of valid supporting documentation. Robbins et al (2017, p 148) discuss six contemporary theories.



We recommend that you study the following six theories in the section entitled “Contemporary theories of motivation” in Robbins et al (2017, pp 128–148) for examination purposes: cognitive evaluation theory, goal-setting theory, self-efficacy theory, reinforcement theory, equity theory and expectancy theory.

In studying each of the six theories, make sure that you are able to define each theory and discuss its main focus, as well as the research that was conducted into that theory.

Goal-setting theory

The basic premise is that specific and difficult goals, with self-generated feedback, result in higher performance.

- Difficult goals:
 - focus and direct attention
 - energise the person to work harder
 - increase persistence
 - force people to be more effective and efficient
- The relationship between goals and performance depends on:
 - goal commitment (the more public the better!)

- task characteristics (simple, well learnt)
- culture (best match is in North America)
- Management by objectives (MBO) is a systematic way to utilise goal-setting. Goals must be:
 - tangible
 - verifiable
 - measurable

Self-efficacy theory

The basic premise is an individual's belief that they are capable of performing a task.

- Higher efficacy is related to:
 - greater confidence
 - greater persistence in the face of difficulties
 - a better response to negative feedback (work harder)
- Self-efficacy complements goal-setting theory.



Reinforcement theory

This theory takes a behaviouristic approach, arguing that reinforcement conditions behaviour and is seen as a counterpart to goal-setting theory. Reinforcement theory ignores the inner state of the individual and concentrates solely on what happens to a person when they take action. This may result in some scholars arguing that this lack of concern in what initiates behaviour prevents this theory from being considered a theory of motivation. However, according to Robbins et al (2017:138), this theory provides a powerful means of analysis of what controls behaviour.

Equity theory

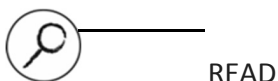
The basic premise is that employees compare their ratios of outcomes-to-inputs to those of relevant others.

- When ratios are equal: A state of equity exists – there is no tension as the situation is considered fair.
- When ratios are unequal: Tension exists owing to unfairness.
 - Under-rewarded states cause anger.
 - Over-rewarded states cause guilt.

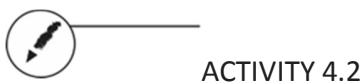
- Tension motivates people to act to bring their situation to equity.
- Employee behaviour aimed at creating equity:
 - Change inputs (slack off).
 - Change outcomes (increase output).
 - Distort/change perceptions of the self.
 - Distort/change perceptions of others.
 - Choose a different person for reference purposes.
 - Leave the field (resign from the job).

Expectancy theory

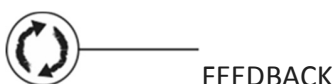
The basic premise is that the strength of a tendency to act in a specific way depends on the strength of an expectation that the act will be followed by a given outcome, as well as on the attraction of the outcome for the individual.



You only have to read the section on integrating the contemporary theories of motivation in Robbins et al (2017) (see additional comments below).



Identify three activities that you really enjoy doing (e.g. playing soccer, reading a novel, going shopping). Next, identify three activities that you really dislike doing (e.g. going to the dentist, cleaning the house, eating a calorie-restricted diet). Using the expectancy model, analyse each of your answers to assess why some activities stimulate your efforts while others do not.



Your responses will vary, but should take the following elements of expectancy theory into consideration. The strength of a tendency to act in a specific way depends on the strength of the expectation that the act would be followed by a given outcome, as well as on the attractiveness of that outcome to the individual. It states that an individual will be motivated to exert a high level of effort when that individual believes that:

- effort will result in a good performance appraisal (e.g. the large amount of effort that you put into your soccer training will result in recognition from the coach and your inclusion in the club's A team)
- a good appraisal will result in organisational rewards (e.g. the inclusion in the A team results in getting paid for soccer matches)
- the rewards will satisfy the employee's personal goals (e.g. payment for the matches played satisfies your personal goal of playing professional soccer and the desire to leave your normal daytime job)

Three key relationships

- (1) Effort-performance relationship: The probability perceived by an individual that exerting a given amount of effort will result in a good performance – for example, a high level of effort in completing a job will result in a good performance appraisal by the supervisor.
- (2) Performance-reward relationship: The degree to which the individual believes that performing at a particular level will result in the attainment of a desired outcome – for example, the good performance appraisal results in an organisational reward, such as a promotion.
- (3) Rewards-personal goals relationship: The degree to which organisational rewards satisfy an individual's personal goals or needs and the attractiveness of those potential rewards for the individual – for example, the promotion results in the realisation of a personal goal of being transferred to the Cape Town branch.

INTEGRATING CONTEMPORARY THEORIES OF MOTIVATION

How uncomplicated it would be if, of all the theories we presented, only one was found to be valid! But many of the theories presented to you in this learning unit are complementary and the challenge is now to tie these theories together to help you understand their interrelatedness. Robbins et al (2017) present a model that integrates expectancy theory, goal-setting theory, ERG theory, achievement need theory and reinforcement and equity theories.

The integrated model in figure 4.8 in Robbins et al (2017, p 148) starts with individual effort on the left-hand side, and runs to personal goals on the right-hand side of the model.

The two arrows pointed at individual effort depend on the opportunities that are available and the goals- effort loop, which runs at the bottom of the model. It forms part of goal-setting theory, which reminds us that goals direct behaviour. Each of the relationships between individual effort and personal goals on the centre line of the model is influenced by certain factors. For effort to result in performance, ability and a fair and objective performance evaluation system are required. Performance should be rewarded by using performance evaluation criteria. High achievers are motivated by a high achievement need, which is indicated in the high achievement need loop at the top of the model, between effort and goals.

Reinforcement theory indicates the reinforcement between individual performance and organisational rewards. Equity theory plays a role when individuals compare their rewards to the input they have made by using the equity comparison.

If you work slowly through the explanation of the integrated model of contemporary theories in the paragraph above, you will find that it is far less complicated than it looks.



STUDY

Use Figure 4.8 as a guideline and study the integration of the contemporary theories of motivation. You should be able to explain how the contemporary theories of motivation complement one another.



ACTIVITY 4.3

Read the section entitled “Fear is a powerful motivator: point – counterpoint”. You will find this at the end of chapter 4, and at the beginning of the exercises in Robbins et al (2017, p 149).

This is an interesting discussion about the motivational value of failure. Before you start reading this section, decide what your viewpoint is about failure as a motivator, and then read the two arguments for and against failure as a motivator. After reading the discussion, you should decide whether you agree with the point or counterpoint and whether the discussion has made you change your mind about the motivational value of failure.



FEEDBACK

Few topics inspire as much debate as the topic “Fear is a powerful motivator”. The point indicates that, people do work hard out of fear of failure. The counterpoint emphasises that fear only motivates in a short-term.



STUDY

Study the section entitled “It’s not fair” in chapter 4 of Robbins et al (2017, p 277). Answer the questions that follow.

SUMMARY

This learning unit focused on motivational theories and on the various ways of linking motivation to some practical applications.

Not all these motivational theories address the variables of productivity, absenteeism, turnover and satisfaction. Some are directed towards explaining turnover, while others emphasise productivity.



TEST YOURSELF

To prepare yourself for possible examination questions, answer the following questions:

ESSAY QUESTIONS

- (1) Define motivation and name four of the contemporary theories of motivation. (15)
- (2) Discuss equity theory. Illustrate your answer by using your own example (in no more than 10 lines) of a situation in an organisation (or any other source) to explain this theory. (15)
- (3) Explain the role that ability and opportunity play in expectancy theory, by using the following performance formula: $\text{performance} = f(A \times M \times O)$. (10)

MULTIPLE-CHOICE QUESTIONS

- (1) Motivation is ...
- 1 a component of ability.
 - 2 situational.
 - 3 a personal trait.
 - 4 a constant intensity for each individual.
- (2) A state within an individual that results in an outcome appearing attractive is called ...
- 1 a reward.
 - 2 a hygiene factor.
 - 3 perception.
 - 4 a need.
- (3) According to Maslow, when does a need stop motivating?
- 1 when it is substantially satisfied
 - 2 it never stops motivating
 - 3 when a person returns to a lower-level need
 - 4 None of the above.
- (4) Who proposed that the three major relevant motives or needs in workplace situations are achievement, affiliation and power?
- 1 McClelland
 - 2 Alderfer
 - 3 Herzberg
 - 4 Maslow
- (5) McClelland's need for achievement best approximates Maslow's need for ...
- 1 esteem.
 - 2 self-actualisation.
 - 3 love.
 - 4 success.
- (6) In addition to feedback, which two other factors have been found to influence the goals-performance relationship?
- 1 goal commitment and task difficulty
 - 2 self-efficacy and task subjectivity
 - 3 goal commitment and self-efficacy
 - 4 task subjectivity and task difficulty

- (7) In equity theory, individuals assess the ...
- 1 cost-benefit ratio.
 - 2 efficiency-effectiveness trade-off.
 - 3 quantity-quality trade-off.
 - 4 outcome-input ratio.
- (8) Each of the following is a comparison that an employee can use the equity theory, with the exception of ...
1. self-inside.
 2. self-goal.
 3. other-outside.
 4. self-outside.
- (9) Feedback on an employee's performance ...
- 1 leads to lower performance.
 - 2 leads to higher performance.
 - 3 has no effect.
 4. leads to higher performance for positive feedback and lower performance for negative feedback.
- (10) Performance-based compensation is probably most compatible with ...
- 1 Theory Y.
 - 2 expectancy theory.
 - 3 MBO.
 - 4 Participative management.
- (11) When pay levels are based on the number of skills that employees possess or the number of jobs they are capable of doing ... is being used.
- 1 a variable-pay plan
 - 2 flexible pay
 - 3 a skills-based pay plan
 - 4 gain sharing

ANSWERS TO ESSAY QUESTIONS

All five of the essay questions are discussed in chapters 7 and 8 of Robbins et al (2017). Only the answers to questions 2 and 4 will be discussed briefly below.

Question 2: Discuss equity theory. Illustrate your answer by using your own example (in no more than 10 lines) of a situation in an organisation (or any other source) to explain this theory. (15)

Your discussion should include a definition of equity theory and a brief discussion of the four referent comparisons that an employee can use, namely:

- self-inside
- self-outside
- other-inside
- other-outside

Your discussion should also include a reference to the core concepts of the theory, namely the individual's effort in getting work done, and the outcome or consequences of that effort compared to those of other people in the individual's work environment.

You should also discuss the six choices open to an individual when that individual perceives an inequity, as well as the four propositions relating to inequitable pay.

Lastly, you should refer to recent research into the theory. (10 marks)

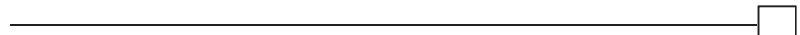
You could use any example to describe the situation in an organisation or use the example from Robbins et al (2017). (5 marks)

ANSWERS TO MULTIPLE-CHOICE QUESTIONS

- (1) = 2
- (2) = 4
- (3) = 1
- (4) = 1
- (5) = 2
- (6) = 3
- (7) = 4
- (8) = 2
- (9) = 2
- (10) = 2
- (11) = 3



THEME 2



Group level

..... Learning unit 5: Groups and teams

..... Learning unit 6: Leadership

..... Learning unit 7: Power and conflict

FROM INDIVIDUAL TO GROUP

Up to now, you have studied the individual within the context of the organisational behaviour model. It is important to understand the effect of the individual's functioning on other individuals and vice versa, as well as the manifestations of this functioning as they affect the organisation.

In the next section we will study the group and its functioning within an organisational context. We are all a part of one group or another, be it a church or sports group, etc. In actual fact, most of us belong to at least one basic group unit, namely the family. Our role and functioning in the family are also determined by a number of factors, such as our parents' leadership style, our way of handling conflict and our cultural group. These factors play a role in group functioning and, ultimately, affect the functioning of the organisation.

Remember, organisations consist of groups of people functioning to achieve a particular goal.

In the following few learning units, you will learn about how a group is formed, the effect of the individual on the group, and the advantages and disadvantages arising from functioning in a group context.

LEARNING UNIT 5:



Groups and teams

Understanding work groups and teams



LEARNING OUTCOMES

After studying this learning unit, you should be able to:

- distinguish between the different types of groups
- identify group phases according to an appropriate model for group development
- determine how group properties shape the behaviour of group members and the performance of groups
- evaluate group decision-making in comparison with individual decision-making
- evaluate, compare and apply the different group decision-making techniques in appropriate contexts
- differentiate between groups and teams
- distinguish between the different types of teams
- design four types of teams in line with a specific purpose
- determine whether a team is functioning effectively
- utilise different options for turning individuals into team players
- decide when to use teams and when to use individuals

WHICH CHAPTERS DO I NEED TO STUDY?

Chapters 5 and 6

INTRODUCTION

Organisations are increasingly using groups and teams to achieve business objectives. Individuals need to learn how to work effectively and efficiently with others for the benefit of the organisation. Groups and teams outperform individuals when the task requires diverse competencies, a variety of experience and unique solutions to problems. This learning unit will cover a number of exciting areas that will help you to understand the similarities and differences between work groups and teams. It will also prepare you to function effectively in both groups and teams in both social and work situations.

DEFINING AND CLASSIFYING GROUPS

To understand groups, you should first be able to define and classify them.



You should study this section with the emphasis on the definition, classification and reasons why people join groups. (See chapter 5 of Robbins et al (2017).)

Robbins et al (2017) define a group as two or more interacting and interdependent individuals who get together to achieve particular objectives. You should be able to define the term “group” in your own words.

Groups may be either formal or informal.

Note the following distinction between formal and informal groups:

Formal groups are groups that are defined by the organisation’s structure, with designated work assignments to accomplish tasks. The behaviour of the group is stipulated by and directed towards organisational goals. Examples of formal groups are task groups and command groups.

Informal groups are alliances that are neither formally structured nor organisationally determined. They form naturally in the working environment and provide a vital service by satisfying their members’ social needs. Although informal, they have a decisive effect on the behaviour of their members – either positively or negatively. Examples of informal groups are interest groups and friendship groups.

The groups can be further sub-classified into:

- command groups
- task groups
- interest groups
- friendship groups

You should be able to differentiate between the various classifications and sub-classifications with regard to different aspects, such as goal, structure and behaviour control mechanisms.

There are different reasons motivating people to join groups. The most popular reasons are:

- security
- status
- self-esteem
- affiliation
- power
- goal achievement

You should be able to describe the various reasons why people join teams.



ACTIVITY 5.1

Now that you have studied the section on defining and classifying groups, you are in a better position to do the exercises below. Try doing them before reading the feedback.

- (1) A group is defined as
- (2) Groups are classified into and
- (3) The four sub-classifications of groups are,, and
- (4) Identify the types of groups that you belong to and briefly explain them to a colleague or family member.
- (5) Think about all the groups that you belong to and explain why you have joined them.



FEEDBACK

- (1) A group is defined as two or more interacting and interdependent individuals who get together to achieve a particular objective.
- (2) Groups are classified into formal and informal groups.
- (3) The four sub-classifications of groups are command groups, task groups, interest groups and friendship groups.
- (4) Here are some of the groups you might belong to:
 - a command group, determined by an organisational chart (e.g. you and your supervisor constitute a command group)
 - a task group determined by the organisation, comprising individuals working together to complete a job
 - an interest group formed by affiliates to attain a specific objective
 - a friendship group formed by individual members who have one or more characteristics in common
- (5) Here are some possible reasons why you have joined certain groups:
 - Security: It reduces the insecurity of standing alone.
 - Status: It increases recognition and the status of members.
 - Self-esteem: It provides feelings of self-worth.
 - Affiliation: It fulfils social needs.
 - Power: There is strength in numbers (more people are better than one).
 - Goal achievement: More people may be required to achieve goals.

STAGES OF GROUP DEVELOPMENT

Group development is a dynamic process. Most groups are in a continual state of change. There is evidence that groups pass through a standard sequence of five stages. These are

- forming
- storming

- norming
- performing
- adjourning

The five-stage model is illustrated in figure 5.1 in Robbins et al (2017).

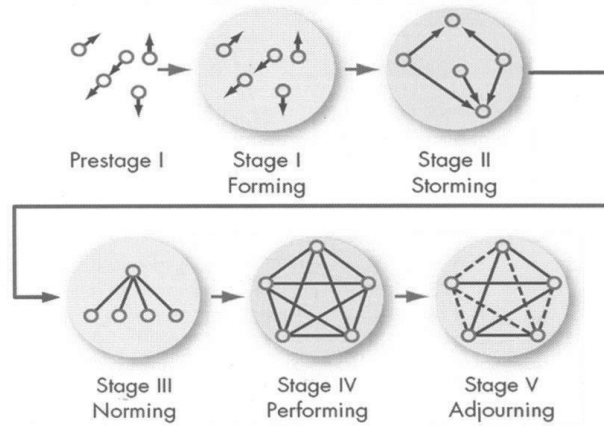


FIGURE 7: Stages of group development

These stages of group development may be summarised as follows:

- STAGE 1: FORMING: Awareness: Acceptance of uncertainty.
 STAGE 2: STORMING: Conflict: Controlling leadership.
 STAGE 3: NORMING: Cooperation: Cohesion of relationships.
 STAGE 4: PERFORMING: Productivity: Achievement results in pride.
 STAGE 5: ADJOURNING: Parting: Recognition and satisfaction.

By understanding the different stages that a group goes through, you will be in a better position to explain the different characteristics that members display in a group. This information will also assist you in becoming a better group member.



ACTIVITY 5.2

Now that you have studied the section on the different stages of group development, you are in a better position to do the exercise below. Try doing it before reading the feedback.

Complete the following table:

Stages	Characteristics
Forming	
Storming	
Norming	
Performing	
Adjourning	



FEEDBACK

Stages	Characteristics
Forming	Uncertainty about group's purpose, structure and leadership
Storming	Intragroup conflict and leadership control conflict
Norming	Cooperation with common set of expectations
Performing	Productivity is achieved with the group fully functioning
Adjourning	Parting, accompanied by feelings of recognition and satisfaction, but some get depressed through a loss of friendship

GROUP PROPERTIES: ROLES, NORMS, STATUS, SIZE AND COHESIVENESS

Work groups have a number of properties that make it possible to explain and predict a major part of the behaviour of its individual members, as well as the performance of the group itself. Group properties are discussed in detail, with examples, in Robbins et al (2017, pp 221–229). Work through the discussion to ensure that you are able to determine how these properties influence group performance.



ACTIVITY 5.3

Robbins et al (2017) refer to groupthink as one of the by-products of conformity. Read the section on group think Robbins et al (2017, p 182) and do the following exercises:

- (1) Think of a time when you were in a group where you were a victim of groupthink. Ask a friend to share their experience with you. What symptoms were you able to identify?
- (2) Discuss what could have been done to minimise groupthink in those specific situations.
- (3) Give and substantiate your opinion on the following statement: "Managers should always strive towards group cohesiveness."



FEEDBACK

- (1) The symptoms of groupthink are discussed in Robbins et al (2017, p 182). Were you able to identify any of these four symptoms?
- (2) The following suggestions are discussed in Robbins et al (2017, p 183):
 - Monitor group size.
 - Encourage group leaders to play an impartial role.
 - Appoint one member to play the role of devil's advocate.
 - Use exercises that stimulate active discussion of diverse alternatives, without threatening the group and by intensifying identity protection.

Allow the group to focus first on the negatives of a decision alternative.

It is argued that making sound decisions is more important than maintaining harmony in groups.

STRENGTHS AND WEAKNESSES OF GROUP DECISION-MAKING

Groups, like individuals, have to make decisions in the work environment. There are strengths and weaknesses of group decision-making. Group decision-making is explained in Robbins et al (201, p 184).

Groups are expected to make decisions. Decision-making techniques include:

- brainstorming
- the nominal group technique
- the Delphi technique
- electronic meetings



STUDY

Study the discussion on group vs individual decision-making in Robbins et al (2017, pp 180–181). To overcome the weaknesses and capitalise on the strengths of group decision-making, Robbins et al (2017, pp 184–185) suggest various techniques to make decision-making more creative. Make sure that you are able to distinguish between these different techniques. Study the techniques and how and when to apply them.

Read the case incident 1: Negative aspects of Collaboration.

After reading the case incident, answer the following questions:

- (a) Which group decision-making technique can you use in this situation? Provide reasons for your answer.
- (b) Illustrate how the chosen technique would be applied.



FEEDBACK

(a) One or more of the following group decision-making techniques would be appropriate (justify your choice):

- brainstorming
- the nominal group technique
- the Delphi technique
- electronic meetings

(b) Use a step-by-step approach for applying your chosen method.

DIFFERENCES BETWEEN GROUPS AND TEAMS

It is essential to distinguish between work groups and work teams. See figure 6.1 in Robbins et al (2017) on p 201, which compares work groups and teams. The dimensions used to compare work groups and teams are goals, synergy, accountability and skills.

TYPES OF TEAMS

You should be able to discuss the different types of teams with the emphasis on their composition and purpose. You should also be able to use practical examples to substantiate your discussion.

There are four types of teams, namely:

- problem-solving teams
- self-managed teams
- cross-functional teams
- virtual teams



ACTIVITY 5.4

After studying this section, you should be able to do the next exercise.

(1) Complete the following table, which summarises the differences between work groups and teams:

Work group	Work team
<ul style="list-style-type: none"> • Its goal is to share information. • It focuses on individual accountability. 	<ul style="list-style-type: none"> • It has positive energy. • It consists of complementary skills.

(2) Name four types of teams.



FEEDBACK

(1) Differences between work groups and teams

Work group	Work team
<ul style="list-style-type: none"> • Its goal is to share information. • It has neutral (sometimes negative) synergy. • It focuses on individual accountability. • It consists of random and varied skills. 	<ul style="list-style-type: none"> • Its goal is collective performance. • It has positive energy. • It focuses on both individual and mutual accountability. • It consists of complementary skills.

(2) Four types of teams:

- problem-solving teams
- self-managed teams
- cross-functional teams
- virtual teams

CREATING (AN) EFFECTIVE TEAM(S)

Organisations are interested in identifying factors related to team effectiveness. Recent studies have integrated various characteristics into a model. These key characteristics include work design, composition, context and process.



STUDY

The characteristics of effective teams are provided in the team effectiveness model, which is presented in figure 5.3 in Robbins et al (2017). You should be able to explain the team effectiveness model with the emphasis on the following characteristics: work design, composition, context and process. In addition, you should study the different approaches to team roles, in Robbins et al (2017, p 217).



READ

Robbins et al (2017) present an interesting summary in the following sections: “Beware, teams aren’t always the answer”, “Turning individuals into team players” and “Contemporary issues in managing teams”. These sections should only be read as background information to assist you in understanding subsequent sections better. Note, though, that they will not form part of the examination.

SUMMARY

The shift from working alone to working in groups and teams requires employees to cooperate with others, share information, confront differences and disregard personal interests for the greater good of groups and teams. Managers need to support groups and teams with advice and guidance, and train employees for the benefit of the organisation.



TEST YOURSELF

To prepare for the examination, answer the following questions:

ESSAY QUESTIONS

- (1) Briefly discuss the five stages of group development. (10)
- (2) Discuss the key factors in explaining group behaviour. (15)
- (3) Describe four group decision-making techniques. (15)

- (4) Differentiate between work groups and work teams. (10)
- (5) Identify and describe four types of teams. (10)
- (6) Briefly explain the team effectiveness model. (10)
- (7) Discuss two classifications and four sub-classifications of groups. (10)

MULTIPLE-CHOICE QUESTIONS

- (1) The stages of group development are ...
 - 1 idea generation, implementation and termination.
 - 2 introduction, high productivity and decline.
 - 3 initiation, evolution, maturation and decline.
 - 4 forming, storming, norming, performing and adjourning.
- (2) What is a work group?
 - 1 a group, the individual efforts of which result in a performance that is greater than the sum of the individual input
 - 2 a group that primarily interacts to share information and to make decisions to help each of the other members perform within their area of responsibility
 - 3 a group of 10 to 15 people who take on the responsibilities of their former supervisor
 - 4 a group comprising members from across departmental lines
- (3) A work team has one important aspect that is not found in a work group. This aspect is ...
 - 1 energy.
 - 2 enthusiasm.
 - 3 synergy.
 - 4 objectives.
- (4) You are a member of a team comprising employees from the same level within the organisation, who have come together to accomplish a task. This is an example of a ...
 - 1 self-managed team.
 - 2 cross-functional team.
 - 3 problem-solving team.
 - 4 quality circle.
- (5) When an individual is confronted by divergent role expectations, the result is role ...
 - 1 conflict.
 - 2 expectation.
 - 3 perception.
 - 4 identity.

(6) Which of the following is not a reason why people join groups?

- 1 security
- 2 status
- 3 equity
- 4 power

(7) Which of the following skills do effective teams require?

- 1 problem-solving skills
- 2 technical skills
- 3 interpersonal skills
- 4 All of the above.

ANSWERS TO ESSAY QUESTIONS

You will find the answers to all the questions in the textbook. To help you with the format of your answers, let's work through guidelines on answering two or more "difficult" questions.

Question 4: Differentiate between work groups and work teams.

(10)

A work group is a group that primarily interacts to share information and to make decisions to help each member perform within their area of responsibility. A work team, in contrast, generates positive synergy that creates an overall level of performance, which is greater than the sum of the inputs. Here are the differences between the two:

- (1) Dimension
- (2) Goal
- (3) Synergy
- (4) Accountability
- (5) Skills

Work groups

- Share information
- Neutral (sometimes negative)
- Individual
- Random and varied

Work teams

- Collective performance
- Positive
- Individual and mutual
- Complementary

Question 5: Identify and describe four types of teams.

(10)

The four types of teams are problem-solving teams, self-managed work teams, cross-functional teams and virtual teams.

A problem-solving team comprises 5 to 12 employees from the same department, who meet for a few hours each week to discuss ways of improving quality, efficiency and the work environment. Team members share ideas or offer suggestions on how work processes and methods could be improved.

A self-managed work team comprises 10 to 15 people, who take on the responsibilities of their former supervisors. Typically, these include planning and scheduling of work, assigning tasks to members, collective control over the pace of work, making operating decisions, taking action and solving problems. Typically, they select their own members and have members evaluate one another's performance.

A cross-functional team comprises employees from about the same hierarchical level, but from different work areas, who come together to accomplish a task. Cross-functional teams are an effective way of allowing people from diverse areas within an organisation to exchange information, develop new ideas, solve problems and coordinate complex projects.

A virtual team is a team that uses computer technology to tie together physically dispersed members in order to achieve a common goal. This allows people to collaborate online, using communication links such as wide area networks, video conferencing or e-mail. They share information, make decisions and complete tasks. They can include members from the same or different organisations.

There is no paraverbal communication (tone and volume of voice) and social context is limited, but virtual teams are able to overcome time and space constraints.

Question 7: Discuss two classifications and four sub-classifications of groups.

(10)

The two types of groups are formal and informal. Formal groups are those groups, defined by an organisation, which are structured – that is, designated work assignments to perform a task. In contrast, informal groups are alliances that are neither formally structured nor organisationally determined. The groups are sub-classified into command groups, task groups, interest groups and friendship groups.

A command group comprises an immediate work group, including a manager and a subordinate.

A task group works together to complete a given task.

An interest group exists to attain a specific common objective.

A friendship group exists owing to a common desire to affiliate.

ANSWERS TO MULTIPLE-CHOICE QUESTIONS

(1) = 4

(2) = 2

(3) = 3

(4) = 2

(5) = 1

(6) = 3

(7) = 1

LEARNING UNIT 6:



Leadership



LEARNING OUTCOMES

After studying this learning unit, you should be able to:

- compare leadership to management
- provide a definition of leadership
- describe the basic approaches to leadership
- explain inspirational approaches to leadership
- relate leadership to trust in the workplace

WHICH CHAPTERS DO I NEED TO STUDY?

Chapters 7

You are not expected to study everything in chapter 7. The study material will assist you with the essential sections that are required to achieve the learning outcomes outlined above.

INTRODUCTION

Leadership is an integral aspect of organisations that impacts on organisational success. Over the years, researchers have focused on understanding leadership, how leaders differ from non-leaders and what constitutes an effective leader. Different theories and models are used to explain different aspects of leadership. Most researchers believe that leaders are individuals who can make a difference in the organisation. In a South African context, leadership is of critical importance to allow strategy and business to operate at their full potential. Trust is another construct that is gaining popularity in organisations, especially in relation to leadership.

It is important to understand trust and its relationship to leadership. Effective managers should develop a relationship of trust with everyone in the organisation. This learning unit will assist you in understanding both leadership and trust, with the emphasis on definitions, approaches and models, types of leadership and trust, and how to develop these. We also cover issues faced by leaders in the South African context.

WHAT IS LEADERSHIP?



STUDY

Study the definition of leadership at the beginning of chapter 7 in Robbins et al (2017). Although the term evokes less agreement than other OB terms, Robbins et al (2017) define leadership as “the ability to influence a group in the achievement of goals”. The source of this influence may be formal, with the leader being formally appointed, or the leader may emerge from within the group.

There are differences of opinion as to whether leadership should be non-coercive and whether it is distinct from management. Not all leaders are managers, nor are all managers leaders. Management copes with complexity by bringing about order and consistency by means of drawing up formal plans, designing rigid organisational structures and comparing the results with the plans. Leadership is about coping with change. Leaders establish direction by developing a vision into the future. Both are necessary for organisational effectiveness. You should be able to discuss the concept of leadership.



ACTIVITY 6.1

After studying this section, you should be able to do the exercises below. Try doing them before reading the feedback.

- (1) Leadership is defined as
- (2) What is the difference between leadership and management?

Leadership Management



FEEDBACK

- (1) Leadership is defined as the ability to influence a group towards the achievement of goals. The source of this influence may be formal, such as that provided by managerial rank in an organisation, or informal, such as the leader who emerges from within a group.
- (2) You need to discuss the difference between leadership and management in your own words.

Leadership

- Coping with change.
- Establishing direction by developing a vision into the future.
Aligning people by communicating this vision.
- Inspiring people to overcome hurdles.

Management

- Coping with complexities.
- Good management brings about order and consistency.
Implementing the vision and strategy provided by leaders.
- Coordinating and staffing the organisation, and coping with day-to-day problems.

BASIC APPROACHES TO LEADERSHIP



STUDY

You should study four theories of leadership, namely the trait, behavioural, contingency and leader-member exchange theories of leadership. We will guide you through the theories and indicate what you need to study.

Robbins et al (2017) deal with four types of theories in chapter 7. Trait theories sought to find universal personality traits to explain leadership ability. Behavioural theory sought to explain leadership in terms of the behaviour that a person engages in. Contingency theory looked to situational models to explain the inadequacies of previous leadership theories. Leader-member exchange (LMX) theory explains leadership in terms of the relationship of a leader with a small group of followers.

TRAIT THEORIES

These are theories that look for traits that differentiate leaders from non-leaders. Recently, researchers have indicated that there are six traits that differentiate leaders from non-leaders, namely ambition and energy, the desire to lead, honesty and integrity, self-confidence, intelligence and job- relevant knowledge. These researchers concluded that some traits increased a person's likelihood of success as a leader, but none of the traits guarantee success. If these theories were correct, it would be possible to select the "right" person to assume a formal position of leadership. What these theories are stating, however, is that leaders are basically born leaders. You should be able to describe the strengths and weaknesses of trait theories of leadership, so that you can differentiate them from other types of theories. Alternative theories emerged between the late 1940s and the mid-1960s, and these were referred to as behavioural theories.

BEHAVIOURAL THEORIES

These theories propose that leaders exhibit specific behaviour that differentiate leaders from non-leaders. If this type of theory were correct, it would be possible to train people to be leaders.

A number of studies, such as the ones mentioned below, have contributed to the understanding of behavioural theories. These are the Ohio State studies, University of Michigan studies, the managerial grid and Scandinavian studies. It is important to understand these different studies in order to gain a better understanding of the origin of behavioural theories.

Ohio State studies: These narrowed the independent dimensions of leader behaviour down to:

- (1) initiating structure – the extent to which a leader is likely to define and structure their role, as well as the roles of subordinates in the search for goal attainment
- (2) consideration – the extent to which a leader is likely to have job relationships characterised by mutual trust, respect for subordinates' ideas and regard for their feelings

The conclusion suggested that a “high-high” style generally resulted in positive outcomes, but sufficient exceptions were found to indicate that situational factors needed to be integrated into the theory.

University of Michigan studies: These also offered two dimensions of leadership behaviour, which were labelled as:

- (1) employee-oriented – a leader who emphasises interpersonal relations
- (2) production-oriented – a leader who emphasises the technical or task aspects of the job These studies strongly favoured leaders who were employee-oriented in their behaviour.

Scandinavian studies: Their basic premise is that, in a changing world, effective leaders exhibit development-oriented behaviour – that is, those leaders who value experimentation, seek new ideas and generate and implement change.

In summary, therefore, the above studies and others shared the same problem – they achieved little success in identifying consistent relationships between patterns of leadership behaviour and group performance. What they failed to do was to consider the situational factors that influence success or failure. You should be able to discuss the strengths and weaknesses of behavioural theories.

CONTINGENCY THEORIES

Contingency theories acknowledge that, predicting leadership success is more complex than isolating a few traits or preferable behaviour. They argue that the situation determines the type of leadership. These situations include the degree of structure of the task being performed, the quality of leader-member relations, the leaders' position of power, subordinates' role clarity, group norms, information availability, subordinate acceptance of leaders' decisions and subordinate maturity. A number of models contributed to the understanding of contingency theories, such as Fiedler's model, Hersey-Blanchard's situational theory and path-goal theory. It is important to understand these different models in order to have a better understanding of the origin of situational theories.

Fiedler's model: This model theorises that effective groups depend on a proper match between a leader's style of interacting with subordinates and the degree to which the situation gives control and influence to the leader. He developed an instrument, called the "least preferred co-worker" (LPC) questionnaire, that purports to measure whether a person is task-oriented or relationship-oriented. He also isolated three situational criteria, namely leader-member relations, task structure and position power, which he believed could be manipulated to create a proper match with the behavioural orientation of the leader. See study figure 6.1 in Robbins et al (2017), labelled "Findings from Fiedler's Model".

Hersey-Blanchard's situational theory: This contingency theory focuses on followers' maturity and is one of the most practised leadership models. This theory regards maturity as the ability and willingness of people to take responsibility for directing their own behaviour.

Path-goal theory: The idea here is that a leader's behaviour is acceptable to subordinates in so far as they view it as a source of either immediate or future satisfaction.

LEADER-MEMBER EXCHANGE (LMX) THEORY

LMX theory argues that, because of time pressures, leaders establish a special relationship with a small group of their followers. These individuals constitute the in-group, they are trusted, get a disproportionate amount of the leader's attention and are more likely to receive special privileges. Other followers fall into the out-group. They get less of the leader's time, get fewer of the preferred rewards that the leader controls and have leader-follower relations based upon formal authority interaction. See figure 6.2, labelled "Leader-member Exchange Theory", in Robbins et al (2017).

Study the above theories in detail.

INSPIRATIONAL APPROACHES TO LEADERSHIP

Inspirational approaches view leaders as individuals who inspire their followers through words, ideas and behaviour. In this section, you will learn about two inspirational approaches to leadership, namely charismatic leadership and transformational leadership. Study these two approaches and make sure you understand their application in the workplace.

- Charismatic leadership

This theory states that followers attribute heroic or extraordinary leadership abilities to the leader when they observe certain kinds of behaviour, such as vision and articulation, willingness to take a personal risk, sensitivity to environmental constraints and resources, sensitivity to followers' needs and engagement in unconventional behaviour. This takes place by means of a four-step process:

- (1) The leader first articulates an appealing vision.
- (2) The leader's high performance expectations are then communicated, and their confidence that followers would be able to attain them is expressed.
- (3) Next, the leader conveys, through words and actions, a new set of values and sets an example.
- (4) Finally, the leader makes self-sacrifices and engages in unconventional behaviour to demonstrate courage and convictions with regard to the vision.

Some examples of individuals frequently cited as being charismatic leaders are Nelson Mandela, John F Kennedy and Martin Luther King.

Study table 6.2, labelled the “Key characteristics of charismatic leaders” in Robbins et al (2017).

- Transformational leadership

Transformational leadership is built on transactional leadership. Transformational leaders inspire their followers to transcend their own self-interests for the good of the organisation, and tend to have a profound and extraordinary affection for their followers, whereas transactional leaders guide or motivate their followers in the direction of established goals by clarifying roles and task requirements.

Study table 6.3, labelled the “Characteristics of transactional and transformational leaders” in Robbins et al (2017).



ACTIVITY 6.2

Now that you understand leadership theories better, you should be in a position to do the exercise below. Try doing it before reading the feedback.

Complete the following table on the different approaches to leadership:

Trait	Behavioural	Situational
1 Identified traits that are associated with leadership
2	Research indicates a consistent relationship between leadership behaviour and group performance
3	Leaders are trained
4 No universal traits could be predicted in all situations



FEEDBACK

Different approaches to leadership

Trait	Behavioural	Situational
1 Identified traits that are associated with leadership	Identified behaviour that specific leaders exhibit	Identified situational variables in which leaders excel
2 Research indicates that some traits increase the likelihood of success as a leader	Research indicates a consistent relationship between leadership behaviour and group performance	Research indicates that some key situational variables have proven to be more successful than others
3 Leaders are born	Leaders are trained	
4 No universal traits could be predicted in all situations	No universal behaviour could be predicted in all situations	The situation determines the type of leadership

TRUST AND LEADERSHIP

Trust or a lack of trust is becoming an important issue in modern organisations. This is partially due to external changes, such as political, social, technological and economic changes, which impact on the functioning of organisations. These changes lead to a widening of the trust gap between employees and employers. Trust appears to be a primary attribute associated with leadership.



STUDY

Chapter 7 of Robbins et al (2017) presents the definition of trust, its dimensions and how trust is built in organisations – important elements in understanding trust and its relationship to leadership.

WHAT IS TRUST?

Robbins et al (2017) define trust as “a positive expectation that another party will not – through words, actions or decisions – act opportunistically”. You should be able to define trust in your own words.

The three characteristics of trust:

- integrity
- benevolence
- ability

See figure 6.4 in Robbins et al (2017).

You should be able to explain the key characteristics of trust that your leaders exhibit in the workplace.

TRUST AS THE FOUNDATION OF LEADERSHIP

Trust is an important attribute of leadership. When we discussed trait leadership, we mentioned that two of the traits that distinguish leaders from non-leaders are honesty and integrity. The very same traits are identified as dimensions of trust. This implies that leaders need to be trustworthy if they are to be effective. Followers tend to support leaders who are trustworthy.

Managers can build trust in organisations by:

- practising openness
- being fair
- stating how they feel
- telling the truth
- showing consistency
- fulfilling their promises
- maintaining confidences
- demonstrating competence

The consequences of trust are explained in Robbins et al (2017).

You should be able to explain the role of trust in leadership and consequences/advantages of trust in organisations.



ACTIVITY 6.3

Now that you understand leadership better, you are in a better position to do the exercise below. Try doing it before reading the feedback.

- (1) Trust is defined as
- (2) Describe the three characteristics of trust.
- (3) How can managers build trust in organisations?
- (4) What are the consequences of trust?



FEEDBACK

- (1) Trust is defined as a positive expectation that another party will not – through words, actions or decisions – act opportunistically.
- (2) Three characteristics of trust:
 - Ability encompasses the individual's technical and interpersonal knowledge and skills.
 - Benevolence means that the trusted person has your interests at heart, even if yours are not in line with theirs.
 - Integrity refers to honesty and truthfulness.
 - Consistency relates to an individual's reliability, predictability and good judgement in handling situations.

- Loyalty is a willingness to protect and save face on behalf of another person.
- Openness is the ability to rely on a person to provide you with the full truth.

(3) Managers can build trust in organisations by:

- practising openness
- being fair
- stating how they feel
- telling the truth
- showing consistency
- fulfilling their promises
- maintaining confidences
- demonstrating competence

SUMMARY

Leadership plays an important role in the success of organisations. Different theories have been developed to explain leadership, which range from trait theories to contemporary (inspirational approach) theories. Recently, researchers have argued that trust is a key ingredient of leadership success. Leaders who are trusted by their followers are in a better position to influence them. These leaders can assist their followers in adapting to changes in and outside the organisation.



TEST YOURSELF

To prepare yourself for possible examination questions, answer the following questions:

ESSAY QUESTIONS

- | | |
|---|------|
| (1) Compare leadership with management. | (10) |
| (2) Define leadership and discuss the strengths and weaknesses of the trait theories. | (10) |
| (3) Describe, from your experience, someone you know who uses the path-goal model. | (15) |
| (4) Compare transactional and transformational leaders. | (10) |
| (5) Define trust and describe its three characteristics. | (12) |
| (6) Discuss the consequences of trust in organisations. | (15) |

MULTIPLE-CHOICE QUESTIONS

(1) Leadership is ...

- 1 the ability to influence a group towards achieving a goal.
- 2 an inherited trait.
- 3 not something that can be learnt.
- 4 a trait that all managers possess.

- (2) Which one of the following is not a limitation of the trait theories of leadership?
- 1 ignoring the needs of followers
 - 2 failing to recognise the relative importance of traits
 - 3 ignoring the skills of leaders
 - 4 ignoring situational factors
- (3) If behavioural theories of leadership are valid, then leaders are ...
- 1 trained.
 - 2 born.
 - 3 dominant.
 - 4 powerless.
- (4) Which one of the following is not a contingency theory?
- 1 autocratic-democratic continuum model
 - 2 path-goal model
 - 3 managerial grid model
 - 4 leader-participation model
- (5) The two types of leaders may be identified as ...
- 1 transformational and charismatic leaders
 - 2 transactional and transcendent leaders.
 3. transactional and transformational leaders.
 4. task-oriented and production-centred leaders.
- (6) Which one of the following is not a characteristic of trust?
- 1 integrity
 - 2 ability
 - 3 benevolence
 - 4 distance
- (7) ... refers to honesty and truthfulness.
- 1 integrity
 - 2 ability
 - 3 loyalty
 - 4 friendliness

ANSWERS TO ESSAY QUESTIONS

You will find the answers to all six questions in the textbook. To help you with the format of your answers, here are some guidelines on how to answer a few of the more difficult questions.

Question 2: Define leadership and discuss the strengths and weaknesses of the trait theories. (10)

Definition: Leadership is the ability to influence a group in the achievement of goals. Your answer to the rest of the question should include at least the following:

The strengths in the trait approach are its inherent simplicity, its intuitive appeal and the fact that it can explain a fairly large number of leadership cases.

Its weakness lies in its inability to predict accurately. Traits are probably more reliable than mere random guessing, but they could never be as accurate as a contingency approach. The critical question is: Are the benefits (or improved capabilities) achieved by means of a contingency model significantly major enough to justify the complexity (and costs) of such a model?

Question 3: Describe, from your experience, someone you know who uses the path-goal model. (15)

Read Robbins et al (2017) to answer this question.

Question 4: Compare transactional and transformational leaders. (10)

Transactional leaders are those leaders who guide or motivate their followers in the direction of established goals, by clarifying role and task requirements. The characteristics of a transactional leader include contingent reward management by exception (active), management by exception (passive) and a laissez-faire approach.

Transformational leaders are those who inspire followers to transcend their own self-interests for the good of the organisation, and who are capable of having a profound effect on their followers. The characteristics of transformational leaders include charisma, inspiration, intellectual stimulation and individualised consideration.

Question 5: Define trust and describe its three key characteristics. (12)

Definition: Trust is a positive expectation that another (person) will not act opportunistically.

Your answer to the rest of the question should include at least the following: The three characteristics of trust are as follows:

- Integrity refers to honesty and truthfulness.
- Ability encompasses an individual's technical and interpersonal knowledge and skills.
- Benevolence means trusted person has interest of another at heart.

Question 6: Discuss how leaders can build trust in organisations. (15)

Common practices to build trust are as follows:

- Practise openness. Mistrust comes as much from what people do not know as from what they do know.
- Be fair. Before making decisions or taking action, consider how others will perceive this in terms of objectivity and fairness.
- Speak your feelings. Managers who convey only hard facts come across as cold and distant.

- Tell the truth. If integrity is of critical importance, you must be perceived as someone who tells the truth.
- Show consistency. People want predictability.
- Fulfil your promises. Trust requires people to believe that you are dependable.
- Maintain confidences. You trust people who are discreet and upon whom you can rely.
- Demonstrate competence. Gain the admiration and respect of others by demonstrating technical and professional abilities.

ANSWERS TO MULTIPLE-CHOICE QUESTIONS

(1) = 1

(2) = 3

(3) = 1

(4) = 3

(5) = 3

(6) = 4

(7) = 1

LEARNING UNIT 7:



Conflict and negotiation



LEARNING OUTCOMES

After studying this learning unit, you should be able to:

- define the two key terms in this unit, namely conflict and negotiation
- identify defensive behaviour as part of organisational politics
- outline the conflict process used in organisations
- describe conflict management techniques
- describe the five steps in the negotiation process
- discuss issues of conflict and negotiation within a South African context

WHICH CHAPTERS DO I NEED TO STUDY?

Chapters 8

You are not expected to study everything in chapters 8. The study material will assist you with the essential sections that you are required to work through in order to achieve the learning outcomes outlined above.

INTRODUCTION

An increase in the number of industrial disputes in the 1980s reinforced the importance of understanding conflict and negotiations in the workplace. As a result, different initiatives were put in place to address these issues. For example, the Labour Relations Act 66 of 1995, which provides a framework for dealing with conflict and negotiations in the workplace, was implemented. It is therefore essential to understand the nature of conflict and negotiations in the organisation. Traditionally, conflict and negotiations were dominated by high levels of adversity, destructive interaction and strong demands from the parties concerned. Recently, the situation has been improving with more emphasis on mutual respect and participation.

The learning unit will also assist you in understanding both conflict and negotiation with the emphasis on definitions, views and approaches, as well as the process to understand both constructs.



STUDY

Study the definition, the conflict process, as well as conflict management techniques. We will indicate which areas you need to focus on.

DEFINITION OF CONFLICT

Conflict is defined differently by different people. The common themes that underlie the variety of definitions of conflict are that it is perception-based and that it results from opposition or incompatibility, as well as from some form of interaction. Robbins et al (2017) define conflict as a process that begins when one party perceives that another party has negatively affected, or is about to negatively affect, something that the first party cares about.



ACTIVITY 7.1

After studying this section, you should be able to do the next exercise. Try doing it before reading the feedback.

Conflict is defined as



FEEDBACK

Conflict is defined as a process that begins when one party perceives that another party has negatively affected, or is about to negatively affect, something that the first party cares about.

THE CONFLICT PROCESS

The conflict process is divided into five stages. Study figure 8.1 in Robbins et al (2017) for details.

Stage 1: Potential opposition or incompatibility. This first step is characterised by conditions that create opportunities for conflict.

Stage 2: Cognition and personalisation. This second stage is characterised by responding to a situation that has the potential for opposition or incompatibility.

Stage 3: Intentions. This third stage is characterised by intervention between people's perceptions and emotions, and their overt behaviour.

Stage 4: Behaviour. This fourth stage is characterised by visible conflict, which includes statements, actions and reactions by the conflicting parties.

Stage 5: Outcomes. This fifth stage is characterised by the action-reaction interplay between the conflicting parties, resulting in consequences.

You should be able to outline the conflict process which can be used in the workplace.



ACTIVITY 7.2

After reading the section on conflict processes, you should be able to do the following exercise:

Which stages do you often focus on in a conflict situation? Explain.



FEEDBACK

- Stage 1: Potential opposition or incompatibility. This first step is characterised by conditions that create opportunities for conflict.
- Stage 2: Cognition and personalisation. This second stage is characterised by responding to the situation, which has the potential for opposition or incompatibility.
- Stage 3: Intentions. This third stage is characterised by intervention between people's perceptions and emotions, and their overt behaviour.
- Stage 4: Behaviour. This fourth stage is characterised by visible conflict, which include statements, actions and reactions by the conflicting parties.
- Stage 5: Outcomes. This fifth stage is characterised by the action-reaction interplay between the conflicting parties, resulting in consequences.

CONFLICT MANAGEMENT TECHNIQUES

Conflict management techniques are divided into two main categories, namely conflict resolution and conflict stimulation techniques. Study table 8.2 for details in Robbins et al (2017).



ACTIVITY 7.3

After reading the section on conflict processes and conflict management techniques, you should be able to do the following exercise:

Read the my thor Science: Well handled conflict can produce positive results that benefit the company in chapter 8 of Robbins et al (2017). The point arguments suggest that conflict has benefits for an organisation. The counterpoint argues that all conflict is dysfunctional and suggests that management should be responsible for keeping the conflict level as low as is humanly possible.

After reading this case study, answer the following questions:

- (a) What are the benefits of conflict in an organisation?
- (b) What are the negative consequences of conflict?



FEEDBACK

(a) Benefits of conflict in an organisation:

- brings about radical change
- facilitates group cohesiveness
- brings about a slightly higher, more constructive level of tension

(b) Negative consequences of conflict:

- increased staff turnover
- inefficiencies between work units
- sabotage
- labour grievances and strikes
- physical aggression

NEGOTIATION



STUDY

Study the definition, approaches and the negotiation process as applied in the workplace.

Negotiation is an integral part of the interaction between people in an organisation, such as employers, employees, managers and labour.

Robbins et al (2017) define negotiation as a process in which two or more parties exchange goods or services and attempt to agree on the exchange rate for them.



ACTIVITY 7.4

After reading the section on defining negotiation, you should be able to do the following exercise:
Negotiation is defined as



FEEDBACK

Negotiation is defined as a process in which two or more parties exchange goods or services and attempt to agree on the exchange rate for them.

APPROACHES TO NEGOTIATION

The two approaches to negotiation are distributive and integrative bargaining. The distributive approach is based on win/lose results, whereas integrative bargaining is based on win/win. Study table 8.3 in Robbins et al (2017), which compares distributive and integrative bargaining.

THE NEGOTIATION PROCESS

There are five steps in the negotiation process (study figure 8.6 in Robbins et al, 2017):

- Preparation and planning: Gather information relevant to the negotiation and make the necessary plans.
- Definition of ground rules: The ground rules and procedure to be followed during negotiation should be defined.
- Clarification and justification: Both parties have the chance to explain and justify their original demands.
- Bargaining and problem-solving: During this stage, both parties are involved in exchanging ideas and in trying to reach an agreement.
- Closure and implementation: This stage deals with formalising the agreement.



ACTIVITY 7.5

Now that you understand the negotiation process, you are in an ideal position to do the exercise below. Try doing it before reading the feedback.

Describe a negotiation process that you can apply to address the wage increase in your workplace.



FEEDBACK

The negotiation process that you can apply in the workplace to address the wage increase will entail the following:

- Preparation and planning: Both parties should be ready for negotiations and know exactly what they want to achieve. This implies thorough preparation and planning.
- Definition of the ground rules: Both parties should agree on the ground rules with no hidden agenda.
- Clarification and justification: Both parties should have a chance to explain and justify their demands.
- Bargaining and problem-solving: Parties present their position in a spirit of give and take.
- Closure (and implementation): Both parties are happy with the outcome of the process.



READ

Read the sections containing the summary and the implications for managers. Note: This is merely for background information and will not form part of the examination.

SUMMARY

Conflict and negotiation are important aspects of employment relations. The Labour Relations Act 66 of 1995 provides a framework for regulating employment relations in South Africa. It is important to understand the approaches and processes followed to understand both conflict and negotiations. Employers and employees promote harmony by handling conflict and negotiations effectively in the workplace.

**TEST YOURSELF**

To prepare for the examination, answer the following questions:

- (1) Explain how you would use the conflict process to resolve conflict between managers and subordinates. (10)
- (2) Explain conflict management techniques. (10)
- (3) Define negotiation and discuss the two approaches to negotiation. (15)
- (4) Use an example of wage negotiations to explain how you would resolve conflict in the workplace. (10)

MULTIPLE-CHOICE QUESTIONS

- (1) If no one is aware of conflict, it is generally agreed that ...
 - 1 employee-employer relations will be good.
 - 1 conflict is subversive.
 - 2 no conflict exists.
 - 4 conflict is inevitable.

- (2) Which one of the following is not true about the traditional view of conflict?
 - 1 It is inevitable.
 - 2 It must be avoided.
 - 3 It indicates malfunctioning.
 - 4 It is harmful.

- (3) The demarcation between functional and dysfunctional conflict is ...
 - 1 clear and precise.
 - 2 individual perception.
 - 3 the effect on group performance.
 - 4 measured on the conflict intensity scale.

- (4) Conflict handling behaviour is initiated in stage ... of the conflict process.
- 1 II
 - 2 III
 - 3 IV
 - 4 V
- (5) A process in which two or more parties exchange goods or services and attempt to agree upon the exchange rate for them is ...
- 1 negotiation.
 - 2 conflict management.
 - 3 economics.
 - 4 supply side economics.
- (6) Labour management negotiations over wages exemplifies ... bargaining.
- 1 integrative
 - 2 cost-effective
 - 3 distributive
 - 4 third-party
- (7) Integrative bargaining focuses relationships on ...
- 1 I win – you lose.
 - 2 the short term.
 - 3 resistance to bargaining.
 - 4 the long term.

ANSWERS TO ESSAY QUESTIONS

You will find the answers to all five questions in the textbook. To help you with the format of your answers, here are some guidelines on how to answer question 5.

Question 5: Use an example of wage negotiations to explain how you would resolve conflict in the workplace. (10)

Preparation and planning: It is important to prepare and plan for negotiations before you start them. Information required includes the nature of conflict, the history leading to the negotiations, who is involved and their perception of conflict.

Definition of ground rules: The parties must define the ground rules and procedure to be followed during negotiations.

Clarification and justification: At the beginning of the negotiations, both parties exchange information, including an explanation, amplification, clarification and justification of the original demands.

Bargaining and problem-solving: Both parties try to reach an agreement on the issues under discussion.

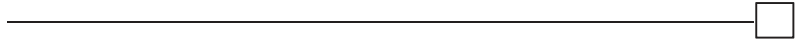
Closure and implementation: The agreement is formalised and procedures put in place to implement and monitor the agreement.

ANSWERS TO MULTIPLE-CHOICE QUESTIONS

- (1) = 3
- (2) = 1
- (3) = 3
- (4) = 2
- (5) = 1
- (6) = 3
- (7) = 4



THEME 3



Organisation level

..... Learning unit 8: Organisational structure

..... Learning unit 9: Organisational culture and change

FROM THE GROUP TO THE ORGANISATIONAL SYSTEM

Now we will move to studying the functioning of an organisation. Remember that, at some time in our lives, we will all function and work in an organisation. Organisations provide us with many of those things we use in life, such as money. Working in organisations helps us to fulfil our basic and higher-order needs.

Remember that organisations take inputs and produce outputs, which are usually the desired goal of the organisation – that is the reason for their existence.

In the next few learning units, you will learn about the organisation as a living, functioning entity in its own right.

The organisation has a major impact on employee functioning. Some organisational types are more effective in today's new world of work than others. In addition, organisations function in uncertain environmental conditions, which affect their output and put pressure on their adaptive capacity and, ultimately, their ability to change.

LEARNING UNIT 8:



Organisational structure

Foundations of organisational structure



LEARNING OUTCOMES

After studying this learning unit, you should be able to:

- identify the six key elements that define an organisation's structure
- explain the characteristics of a bureaucracy
- describe a matrix organisation
- explain the characteristics of a virtual organisation
- summarise why managers want to create boundaryless organisations (organisations without boundaries)
- contrast mechanistic and organic structural models
- list the factors that favour different organisational structures
- explain the behavioural implications of different organisational designs

WHICH CHAPTER DO I NEED TO STUDY?

Chapter 9

INTRODUCTION

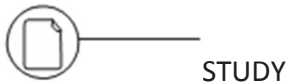
In this learning unit, we take a closer look at the concept of organisational structure and what it entails. We have been moving progressively from a microperspective (focusing on the individual) to a macroperspective (focusing on the organisation as a whole), as indicated in the basic OB model in chapter 1 of Robbins et al (2017). In this learning unit we define organisational structure and discuss the different forms those structures can take, why structures differ and how specific structural variables affect employee behaviour.

WHAT IS ORGANISATIONAL STRUCTURE?

Organisational structure defines how job tasks are formally divided, grouped and coordinated. The way in which job tasks are formally divided, grouped and coordinated depends on the degree of complexity, formalisation and centralisation. Managers need to consider the following six key elements when designing their organisation's structure:

- work specialisation
- departmentalisation
- chain of command
- span of control
- centralisation and decentralisation
- formalisation

Take a look at Table 9.1 in Robbins et al (2017). This table summarises the six key questions that managers need to answer when designing a proper organisational structure.

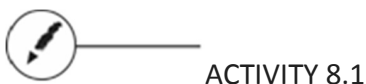


Study the concept “organisational structure” and the six key elements that determine organisational structure.

COMMON ORGANISATIONAL DESIGNS

Robbins et al (2017) discuss three organisational designs, which may be summarised as follows:

- The simple structure is characterised by a low degree of departmentalisation, wide spans of control, authority centralised in a single person and little formalisation (see figure 9.3 in Robbins et al (2017)).
- The bureaucracy is a structure with high routine operating tasks, achieved via specialisation, there are very formalised rules and regulations, tasks are grouped into functional departments, authority is centralised, spans of control are narrow and decision-making follows the chain of command.
- The matrix structure creates dual lines of authority and combines functional and product departmentalisation.



Jan Brown is retrenched from his organisation after a re-engineering exercise. He decides to start an organic farming enterprise, supplying fresh salads to a major upmarket food chain.

Jan wants to keep the operation manageable and, in so doing, control costs. He employs a few labourers to assist him with the planting of the vegetable seedlings, a driver and two female employees to pack the produce.

Jan maintains strict control of the business and believes that he will be able to maintain a high level of quality control, which is an essential element of his business.

What type of organisational structure do you think would suit Jan’s operation? Give reasons for your answer. Indicate the characteristics of the structure you believe would suit Jan’s operation.



FEEDBACK

Jan's business is still small and the organisation has a simple structure. The strength of the simple structure is that it is fast, flexible and inexpensive to maintain. In addition, Jan is totally in control – that is, he “runs the show”.

The simple structure has a low degree of departmentalisation, wide spans of control, control is centralised in a single person and there is little formalisation.



STUDY

Study all three designs and focus specifically on the matrix structure. You should be able to identify the advantages and disadvantages of the three designs.

NEW DESIGN OPTIONS

Over the past decade, managers have been working to develop new structural options that can assist their organisations better in competing more effectively, namely the team structure, the virtual organisation and the boundaryless organisation (organisation without boundaries).

Study all three designs as discussed by Robbins et al (2017).

WHY DO STRUCTURES DIFFER?

The question is: Why do some organisations have mechanistic structures and others have organic structures? The following factors provide an explanation.

- **Strategy:** An organisational strategy is a way to assist management in achieving their objectives. As objectives are derived from the organisation's overall strategy, it is only logical that strategy and structure be closely linked. Structure follows strategy.
- **Organisation size:** Considerable evidence supports the idea that an organisation's size affects its structure significantly. The large ones tend to have more specialisation, more departmentalisation, more vertical levels and more rules and regulations than the smaller ones, although the relationship is not linear.
- **Technology:** This has to do with how an organisation transfers its inputs into outputs – that is, the throughput process that it uses. The common theme differentiating technologies is their degree of routine – the more routine-oriented they are, the more automated, formal, centralised and regulated they tend to be.
- **Environment:** This concerns those institutions or forces outside the organisation that potentially affect the organisation's performance. These typically include suppliers, customers, competitors, government regulatory agencies, public pressure groups, etc. See Figure 9.7 in Robbins et al (2017).



STUDY

Study the reasons why structures differ and pay particular attention to the strategy-structure relationship. In addition, study all the determinants involved in organisational structure.



ACTIVITY 8.2

Take a moment to think about your organisation's environment. (Even if you are not employed by an organisation, you can still consider the environment of an organisation that you are familiar with.) Consult Robbins et al (2017) if you are uncertain. What dimension or dimensions do you regard as creating uncertainty in the organisational environment?



FEEDBACK

An organisation's environment consists of those institutions or forces that are outside the organisation and that potentially affect the organisation's performance. Research has shown that environmental uncertainty is created by three key dimensions, namely capacity, volatility and complexity.

- Capacity of an environment refers to the degree to which it can support growth.
- Volatility refers to the degree of instability in an environment.
- Complexity refers to the degree of heterogeneity and concentration among environmental elements. (Single environments are homogeneous and are not concentrated.)

Robbins et al (2017) indicate that the more dynamic and complex the environment, the more organic the structure of the organisation. A more mechanistic structure is characterised by a more stable and less complex environment.

ORGANISATIONAL DESIGN AND EMPLOYEE BEHAVIOUR

An organisation's internal structure (in addition to individual and group factors) contributes to explaining and predicting behaviour. Structure reduces ambiguity for employees and clarifies concerns, it shapes their attitudes and motivates them to perform at higher levels. The downside is that structure may also constrain employees if it limits and controls what they do. Study what Robbins et al (2017) have to say about the implications of the traditional basic concepts of the division of labour, unity of command and authority, and responsibility.



ACTIVITY 8.3

Explain, by using your own words, how the following organisational designs influence employee behaviour:

- specialisation
- span of control
- centralisation



FEEDBACK

Evidence suggests that work specialisation contributes to higher employee productivity, but at the cost of reduced job satisfaction. Individual differences, however, and the types of job tasks people prefer could influence employees.

There is no real evidence to state that span of control and employee performance are related. Individual differences may play a major role in whether people like to be closely supervised, or whether they like to be left alone and to be supervised from a distance.

There is a strong link between centralisation and job satisfaction. Organisations that are less centralised tend to show more participative decision-making, which is positively related to job satisfaction. Again, Robbins et al (2017) state that in order to maximise employee performance, individual differences, such as experience, personality and the job tasks, need to be taken into account.



READ

Read the summary and the implications for managers in Robbins et al (2017). This should give you an overview of the learning unit and what it means for managers.

SUMMARY

Technology is changing people's jobs and their work behaviour. Processes like total quality management (TQM) and re-engineering focus on various aspects of improving organisational functioning. Read the summary and implications for managers in Robbins et al (2017), as this will provide you with a good overview of the learning unit.



TEST YOURSELF

To prepare yourself for possible examination questions, answer the following questions:

ESSAY QUESTIONS

- (1) Discuss the six elements of structure that a manager should consider when designing an organisational structure. (15)
- (2) Briefly define and discuss the three common organisational designs. (10)
- (3) List the three new design options. (6)
- (4) Define and give an example of what is meant by the term "technology". (5)
- (5) If you were an employee in a matrix structure, what positives do you think the structure could provide? Mention negatives, if any. (10)

MULTIPLE-CHOICE QUESTIONS

- (1) Which one of the following components of organisational structure specifically defines where decisions are made?
- 1 complexity
 - 2 formalisation
 - 3 centralisation
 - 4 technology
- (2) The basis on which jobs are grouped together is termed ...
- 1 departmentalisation.
 - 2 formalisation.
 - 3 work specialisation.
 - 4 centralisation.
- (3) Which two forms of departmentalisation does the matrix structure combine?
- 1 simple and functional
 - 2 functional and product
 - 3 3 product and organic
 - 4 organic and mechanistic
- (4) The ... organisation stands in sharp contrast to a typical bureaucracy that has many vertical levels of management and where control is sought through ownership.
- 1 virtual
 - 2 team
 - 3 boundaryless
 - 4 matrix
- (5) Changes in corporate strategy precede and lead to ...
- 1 changes in the environment.
 - 2 better communication.
 - 3 increased productivity.
 - 4 changes in an organisation's structure.

ANSWERS TO ESSAY QUESTIONS

All the answers to the essay questions can be easily obtained by working through chapter 9 in Robbins et al (2017). To provide you with guidelines in answering the questions, here is a brief outline of the answers to questions 4 and 5.

Question 4: Define and give an example of what is meant by the term "technology". (5)

You don't have to elaborate much on the answer to this question – be concise.

An organisation transfers its inputs into outputs through technology – that is the throughput process

it uses. The common theme differentiating between technologies is their degree of routine. The more routine they are, the more automated, formal, centralised and regulated they tend to be.

Question 5: If you were an employee in a matrix structure, what positives do you think the structure would provide? Mention negatives, if any. (10)

In summary, the following should be included in your answer:

Positives include the facilitation of coordination when the organisation performs a multiplicity of complex and interdependent activities. Communication is more direct and quicker. Negatives would include the conflict that arises from having two bosses, which creates power struggles and produces stress in individuals.

ANSWERS TO MULTIPLE-CHOICE QUESTIONS

(1) = 3

(2) = 1

(3) = 2

(4) = 1

(5) = 4

LEARNING UNIT 9:



Organisational culture and change



LEARNING OUTCOMES

After studying this learning unit, you should be able to:

- describe institutionalisation and its relationship to organisational culture
- define the common characteristics of organisational culture
- contrast strong and weak cultures
- identify the functional and dysfunctional effects of organisational culture on people and on the organisation
- explain the factors determining an organisation's culture
- list the factors that maintain an organisation's culture
- clarify how culture is transmitted to employees
- outline the various socialisation alternatives available to management
- explain the concept "ethical organisational culture"
- explain the concept "positive organisational culture"
- describe forces that act as stimulants to change
- contrast first-order change and second-order change
- summarise sources of individual and organisational resistance to change
- identify properties of innovative organisations
- list the characteristics of a learning organisation

WHICH CHAPTERS DO I NEED TO STUDY?

Chapters 10 and 11

INTRODUCTION

Read the preamble in Robbins et al (2017), which describes how organisational culture influences the attitude and behaviour of members of the organisation.



ACTIVITY 9.1

While we are dealing with organisational culture, think about other types of culture that influence our lives. How do they affect our lives? What are the similarities between other types of culture and organisational culture?



FEEDBACK

We belong to a community and are part of a nation that has its own cultures. Culture guides people with regard to acceptable forms of behaviour, and it provides shared meaning – that is, what people value.

The similarities between organisational culture and the culture of a community or country are that both provide values which members adhere to and, as indicated above, teach people about acceptable forms of behaviour.



READ

Read the comparison by Robbins et al (2017) of global and South African trends.

INSTITUTIONALISATION

When an organisation becomes institutionalised, it takes on a life of its own, separate from its members. In addition, it becomes valued for itself, not merely for the goals it pursues or the services it provides. In other words, it acquires immortality. Even if its original goals are no longer relevant, it continues to operate. Institutionalisation produces common understanding between members about what is appropriate and fundamentally meaningful behaviour. In this learning unit you will see that organisational culture follows on from institutionalisation and, essentially, serves the same purpose in the organisation.

WHAT IS ORGANISATIONAL CULTURE?

Robbins et al (2017) assert that organisational culture refers to a system of shared meaning held by members, distinguishing the organisation from other organisations. Research indicates that there are seven characteristics that, as an entity, capture the essence of an organisation's culture.

Robbins et al (2017) proceed with their discussion of organisational culture by discussing aspects of culture. We summarised the most important points.

Culture is a descriptive term. It is concerned with how employees perceive the ten characteristics, not whether they like them – in other words, it is not like job satisfaction.

Do organisations have uniform cultures? Organisational culture represents a common perception held by organisational members. Most organisations have a dominant culture and numerous sets of subcultures. The first expresses the core values shared by the majority of members. Subcultures develop to reflect common problems, situations or experiences that members face, such as departmental or geographical differentiation.



ACTIVITY 9.2

As a way of understanding organisational culture, write down your own definition of organisational culture.



FEEDBACK

Organisational culture provides members with a system of shared meaning, a set of key characteristics that the organisation values and that distinguish it from other organisations.

Strong versus weak cultures: The argument is that strong cultures have a greater impact on employee behaviour, because of what they share, while the intensity creates an internal climate of high behavioural control. In a strong culture, employees are in agreement as to what the organisation stands for.

Culture vs formalisation: A strong organisational culture can act as a substitute for formalisation – that is, it can create predictability, orderliness and consistency.

Organisational culture vs national culture: Members of an organisation develop common perceptions which, in turn, affect their attitudes and behaviour. The strength of the effect depends, however, more on the strength of the national culture. Research indicates that national culture has a greater effect on employees than their organisation's culture.



STUDY

Study the section entitled “What is organisational culture?” in Robbins et al (2017) in detail. Make sure you have a clear understanding of the concept “organisational culture”.

WHAT DOES CULTURE ACTUALLY DO?

Robbins et al (2017) allude to the fact that a strong culture is often associated with reduced turnover. Let's have a look at some of the other functions that culture performs.

- Culture as a boundary-defining role: It conveys a sense of identity, facilitates the generation of commitment to something larger than self-interest, enhances social system stability and serves as a sense-making and control mechanism that guides and shapes the attitudes and behaviour of employees.
- Culture as a liability: This happens when the shared values are not in agreement with those that will further the organisation's effectiveness. It also happens when the environment is dynamic – that is, the entrenched culture may no longer be appropriate.
- Barrier to change: In adapting to upheavals in the environment, managers of organisations with strong cultures that previously worked well for them face a challenge. These strong cultures become barriers to change when “business as usual” is no longer effective.
- Barrier to diversity: Hiring new employees who, because of race, gender, ethnic or other differences, are not like the majority of the organisation's members, creates a paradox. Strong cultures put considerable pressure on employees to conform and limit the range of values and styles that are acceptable.
- Barrier to mergers and acquisitions: Previously, the main consideration during a merger or an acquisition was financial advantage. This has, however, increasingly moved to cultural compatibility (that is, do the cultures of the two organisations match?).



STUDY

Study the section in Robbins et al (2017) entitled “What do cultures do?”. You should be able to discuss the functions of culture and the role it plays in organisational functioning.

CREATING AND SUSTAINING CULTURE

In this section, Robbins et al (2017) explain what forces influence the creation of a culture, and what reinforces and sustains these forces once they are in place. Study the whole section and pay specific attention to the subsection on keeping a culture alive. Three practices are discussed, namely selection practices, the actions of top management and socialisation methods. The socialisation process comprises three stages (figure 10.1), namely pre-arrival, encounter and metamorphosis.



ACTIVITY 9.3

Take some time to consider how culture was formed in the organisation where you are employed. If you are not employed, think about an organisation you are familiar with. Write down some ideas and consider which of the three ways of culture creation is applicable to your organisation. There could possibly be more than one created culture in your organisation.



FEEDBACK

An organisation’s culture is formed over time and is often a reflection of what was done before and the degree of success it had with these endeavours.

According to Robbins et al (2017), the process of culture creation takes place in three ways. Firstly, the founders of the organisation only appoint and keep employees who think and feel the way they do. Secondly, employees are indoctrinated and socialised to their way of thinking. Thirdly, the founder of the organisation acts as a role model by exhibiting a particular kind of behaviour. In this way, employees are encouraged to identify with the founder’s behaviour, thus internalising their beliefs, values and assumptions.



STUDY

Study this section (“Creating and sustaining culture”) in Robbins et al (2017).

HOW DO EMPLOYEES LEARN CULTURE?

Culture is transmitted to employees in a number of forms, the most important being:

- stories
- rituals
- material symbols
- language



STUDY

Study all four forms in Robbins et al (2017).

CREATING AN ETHICAL ORGANISATIONAL CULTURE

An organisational culture that would be most likely to shape high ethical standards is a culture that is high in risk tolerance, low to moderate in aggression and focuses on both means and outcomes. If the culture is strong and supports high ethical standards, it should have a very powerful and positive influence on employee behaviour.



ACTIVITY 9.4

Take some time to think of organisations which you believe have an ethical culture and those which you believe have an unethical culture.



FEEDBACK

Robbins et al (2017) discuss practices that encourage an ethical culture. We can deduce that organisations which do not have cultures similar to the following would tend to show signs of unethical practices and an unethical culture:

- being a visible role model
- communicating ethical expectations
- providing ethical training
- visibly rewarding ethical acts and punishing unethical ones
- providing protective mechanisms



STUDY

Study this section (“Creating an ethical organisational culture”) in Robbins et al (2017).

CREATING A POSITIVE ORGANISATIONAL CULTURE

In Robbins et al (2017), a positive organisational culture is defined as a culture that emphasises building on employee strengths and that rewards more than it punishes, while also emphasising individual vitality and growth.



ACTIVITY 9.5

Take some time to consider how aspects discussed by Robbins et al (2017), under the heading “Creating a positive organisational culture”, contribute to a positive organisational culture. Which of the areas under discussion would you consider as being most important?



FEEDBACK

You had to explain and discuss the aspects discussed by Robbins et al (2017): building on employees’ strength, rewarding more than it is punishing and emphasising vitality and growth. Your choice of aspects that you regard as important to create a positive organisational culture, and the reasons for your answer, are important.



STUDY

Study this section (“Creating a positive organisational culture”) in Robbins et al (2017).

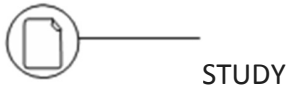
SUMMARY

Organisational culture is an intervening variable. Employees form an overall subjective perception of organisational culture on the basis of factors such as the degree of autonomy, structure, reward, orientation and warmth, as well as the support provided by managers and the willingness of management to tolerate conflict. This perception becomes the organisation’s culture or personality.

FORCES OF CHANGE

The need to change and adapt is ever present in a world that is characterised by turbulence and chaos. Change is often forced on organisations, causing them to adapt or cease to exist. Whether the issue is leadership, motivation, organisational environment or roles, it is impossible to think about these and other concepts without enquiring about change. The subject of this part of the learning unit deals with the issue of how to understand and manage change in organisations. It covers forces of change, managing planned change, resistance to change (both by individuals and organisations), how to overcome resistance to change and the approaches to managing organisational change.

In these turbulent times, organisations are facing a dynamic, changing environment which, in turn, requires them to adapt. Six specific forces which act as stimulants for change are discussed. These relate to the nature of the workforce, technology, economic upheavals, competition, social trends and world politics.



Carefully study the section entitled “Forces of change” in Robbins et al (2017).

MANAGING PLANNED CHANGE

Changes in organisations are often the result of events that management did not anticipate. These unpleasant changes often result in chaos and upheavals, as the organisation tries to adapt to the changes. The goals of planned change can be summarised as follows:

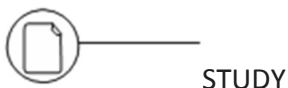
1. to improve the ability of the organisation to adapt to changes in the environment
2. to alter employee behaviour in order to meet the challenges of a new environment

WHAT COULD CHANGE AGENTS ACTUALLY CHANGE?

Robbins et al (2017) discuss four categories that change agents can influence:

- Structure: This involves altering authority relations, coordination mechanisms, job redesign or similar structural variables.
- Technology: This encompasses modifications in the way work is processed and the methods and equipment used.
- Physical setting: This covers altering the space and layout arrangements in the workplace.
- unfreezing the status quo
- People: This refers to changes in employee attitudes, skills, expectations, perceptions and/or behaviour.

Study all four categories carefully.



Study what Robbins et al (2017) have to say about managing planned change and what agents could actually change.

RESISTANCE TO CHANGE

Studies indicate that organisations and their members resist change. In a way this is positive, as it provides a level of predictability and stability. However, for organisations to remain competitive and to prosper in uncertain environments, they must adapt and change to meet changing environmental demands.

INDIVIDUAL RESISTANCE TO CHANGE

Individuals tend to resist change for reasons that reside in basic human characteristics such as perceptions, personalities and needs. Various sources of individual resistance to change are discussed in Robbins et al (2017).



ACTIVITY 9.6

What are the sources of individual resistance to change, which are often present when an organisation is re-engineered?



FEEDBACK

When organisations go through re-engineering, it is often accompanied by the introduction of new technology to improve processes and cut costs. In many instances, this involves a reduction in labour. Organisational re-engineering may therefore cause individuals to resist change owing to the associated reduction in job security (that is, staff may be retrenched, loss of income if they are retrenched and fearing the unknown that brings about uncertainty). We are also creatures of habit and prefer to stay with the known, and we therefore resist changes to our normal routine.

Through our perceptions we create our own reality and our own world. We are therefore guilty of processing information selectively in order to keep other perceptions intact and, in this way, we resist change.

Are there any of the other sources of individual resistance to change that may be applicable when an organisation goes through re-engineering?

ORGANISATIONAL RESISTANCE TO CHANGE

As indicated, organisations on the whole are slow to adapt and change. Six major sources of organisational resistance to change are discussed in Robbins et al (2017).

OVERCOMING RESISTANCE TO CHANGE

Tactics or interventions to reduce resistance to change include, according to Robbins et al (2017), the following:

- education and communication
- participation
- facilitation and support
- negotiation
- manipulation and cooperation
- coercion

Finally, Robbins et al (2017) discuss the politics of change. Owing to organisational politics, the impetus for change is more likely to come from outside change agents, new employees to the organisation, or from managers who are removed from the main power structure.

APPROACHES TO MANAGING ORGANISATIONAL CHANGE

Lewin's three-step model

Kurt Lewin argues that successful change in organisations should follow three steps:

- moving to a new state
- refreezing the new changes to make them permanent

Robbins et al (2017) discuss unfreezing the status quo in figure 11.1.



ACTIVITY 9.7

Employees at ABC Consulting, a medium-sized consulting organisation, are required to undergo realignment in terms of the work they do. This revolves around their core business which, to date, has mainly entailed recruiting, selection and consulting on human resource planning issues. The senior partners feel that ABC should move out of the area of training and development. There is, however, a good deal of uncertainty among and resistance from the junior members of staff in particular, who are chiefly involved in recruitment and selection.

How would you bring about change at ABC Consulting?



FEEDBACK

The status quo could be considered to be an equilibrium state. To move from this equilibrium and to overcome the pressure of both individual resistance and group conformity, unfreezing is necessary. It can be achieved in one of three ways:

- The driving forces that direct behaviour away from the status quo can be increased.
- Possibly, the junior staff members who resist change could be educated and informed about the benefits of moving into the training and development area.
- The restraining forces which hamper movement away from the existing equilibrium could be decreased. In addition, junior members could be interviewed and counselled on the benefits of increased revenue, obtained from working in the area of training and development.

A fourth alternative is to combine the above three approaches.

ACTION RESEARCH

Robbins et al (2017) refer to action research as a process of change, based on the systematic collection of data, followed by the selection of a change action, based on what the analysed data indicates.



STUDY

Study the section entitled "Approaches to managing organisational change" and Lewin's three-step change model in Robbins et al (2017). Also study the section entitled "Action research".

ORGANISATIONAL DEVELOPMENT (OD)

Robbins et al (2017) assert that organisation development (OD) is a term used to encompass a collection of planned change interventions, built on humanistic-democratic values, which seek to improve organisational effectiveness and employee wellbeing.

The underlying values of OD are:

- respect for people
- trust and support
- power equilibrium
- confrontation
- participation

You should be able to discuss these values underlying OD. You have to study them for examination purposes.

What are the OD interventions, aimed at bringing about change? Five interventions that change agents may use are discussed by Robbins et al (2017):

- sensitivity training
- survey feedback
- process consultation
- team-building
- intergroup development



ACTIVITY 9.8

Provide an example of the type of team that would benefit from a team-building intervention. Discuss the reasons for your choice.



FEEDBACK

Team-building is applicable in the case of members of a team who are interdependent, such as a rugby team, a product development team or a sea rescue task force.

The activities considered for team-building typically include goal-setting, the development of interpersonal relations among team members, role analysis to clarify each member's role and responsibilities and team process analysis. Team-building uses high levels of interaction among members to increase trust and openness. The aim of team-building is therefore to increase the coordinated efforts of members, which should result in improving the team's performance.

CONTEMPORARY CHANGE ISSUES FOR TODAY'S MANAGERS

Two issues have risen above the rest as current change topics:

- Innovation is a new idea applied to initiating or improving a product, process or service. Sources of innovation include structural, cultural and human resources variables. Change agents should consider introducing the above if they wish to create an innovative climate.
- Peter Senge in Robbins et al (2017) describes learning organisations as organisations where people continually develop their capacity to create the results they truly desire, where new and creative patterns of thinking are matured, where collective aspiration is set free and where people are continually learning how to learn together.

The learning organisation is therefore an organisation that has developed the capacity to adapt and change continuously.

What are the characteristics of a learning organisation? Meyer, in Robbins et al (2017), integrates the work of Senge to identify the following characteristics of a learning organisation. A learning organization:

- has a flat organisational structure
- has open communication
- is built on teamwork
- focuses on empowerment
- has inspired leadership
- has a shared vision
- uses a systems approach
- focuses on job satisfaction and commitment among employees
- is people-oriented
- has an external focus
- is technologically driven
- incorporates learning opportunities at all levels in the organisation
- focuses on action and results
- is customer-oriented
- focuses on being a continuous learner
- is committed to change, innovation and continuous improvement
- has a flattened structure, combines departments and increases interdependence between people (that is, reduced boundaries)

Robbins et al (2017) discuss these characteristics and you should pay particular attention to them.

MANAGING CHANGE: IS IT CULTURE-BOUND?

Robbins et al (2017) indicate that change issues are often culture-bound and they ask five pertinent questions relating to change and culture. Study these for examination purposes.

The concept of an African business cultural renaissance is particularly important within the South African context.

According to Mgizi (in Robbins et al, 2017), the ubuntu values within organisations are the values that will unlock the cultural renaissance and enable organisations to function in a competitive global market.



TEST YOURSELF

Here are a last few questions to prepare yourself for the examination. Don't forget to work through them.

ORGANISATIONAL STRUCTURE

ESSAY QUESTIONS

- (1) What is the relationship between institutionalisation, formalisation and organisational culture? (10)
- (2) Can an employee survive in an organisation if that employee rejects its core values? Give reasons for your answer. (5)
- (3) Discuss how an organisation's culture is maintained. (15)
- (4) What benefits could socialisation provide for the organisation, as well as for the employee? (10)
- (5) Discuss creating an ethical organisational culture, paying particular attention to the ethical practices discussed in Robbins et al (2017). (10)
- (6) Discuss creating a positive organisational culture, paying particular attention to the areas discussed by Robbins et al (2017). (10)

MULTIPLE-CHOICE QUESTIONS

- (1) Which of the following is not true about institutionalisation?
 - 1 It operates to produce a common understanding about appropriate behaviour.
 - 2 Acceptable modes of behaviour become largely self-evident to its members.
 - 3 The organisation is valued for itself.
 - 4 The organisation is bound by its original mission.
- (2) The key characteristic of organisational culture, which addresses the degree to which management decisions take into consideration the effect of outcomes on people within the organisation, is termed ...
 - 1 innovation.
 - 2 attention to detail.
 - 3 outcome orientation.
 - 4 people orientation.
- (3) ... is a system of shared meaning.
 - 1 Organisational culture
 - 2 Subculture
 - 3 Institutionalisation
 - 4 Socialisation

(4) Culture performs all the following functions, except ...

- 1 showing how organisations are all basically the same.
- 2 enhancing social system stability.
- 3 conveying a sense of identity to the organisation's members.
- 4 facilitating commitment to something larger than individual self-interest.

(5) Which of the following are forces that play a large part in sustaining a culture?

- 1 selection practices
- 2 actions by top management
- 3 socialisation methods
- 4 All of the above.

(6) Which one of the following terms is not consistent with the definition of a ritual?

- 1 stories
- 2 key values

ANSWERS TO ESSAY QUESTIONS

The answers to the first two questions are discussed below.

Question 1: What is the relationship between institutionalisation, formalisation and organisational culture? (10)

When answering this question, you must refer to all three of the concepts involved.

Institutionalisation imposes on an organisation a life beyond any one person. It is a form of permanence. Formalisation is the degree of rules and regulations operating in an organisation. Institutionalisation precedes the formation of culture. Once the organisation acquires immortality, acceptable modes of behaviour become self-evident – that is, the culture comes to be understood. Culture can act as a substitute for formalisation. The informal norms of culture act to regulate behaviour, just as rules and regulations do.

Question 2: Can an employee survive in an organisation if that employee rejects its core values? Give reasons for your answer. (5)

Your answer to this question should be brief.

In the majority of organisations, the answer is "No!". The core values constitute the central meaning of and justification for the organisation. The occasional brilliant maverick may be tolerated, but the organisation will almost always try to change such an employee. If that fails, termination typically follows.

ANSWERS TO MULTIPLE-CHOICE QUESTIONS

- (1) = 4
- (2) = 4
- (3) = 1
- (4) = 1
- (5) = 4
- (6) = 1

FORCES OF CHANGE ESSAY QUESTIONS

- (1) "Resistance to change is an irrational response." Do you agree or disagree? Discuss. (5)
- (2) Discuss the five reasons why individuals may resist change. (15)
- (3) Discuss the six tactics that change agents could use in dealing with resistance to change. (15)
- (4) List the five underlying values of most OD efforts. (5)

MULTIPLE-CHOICE QUESTIONS

- (1) Which of the following is not a force of change in organisations today?
 - 1 technology
 - 2 economic shocks
 - 3 competition
 - 4 All of the above.
- (2) Change agents are ...
 - 1 managers
 - 2 outside consultants.
 - 3 internal staff specialists.
 - 4 All of the above.
- (3) The term "organisational development" is a method of changing ...
 - 1 people.
 - 2 technology.
 - 3 the structure.
 - 4 the physical setting.
- (4) You have heard that your department is going to be reorganised. You are opposed to the reorganisation, because you fear you may lose your job. Your reason for resistance is ...
 - 1 habit.
 - 2 security.
 - 3 economic factors.
 - 4 selective information processing.

- (5) Which of the following structures would be most conducive to an innovative environment?
- 1 mechanistic.
 - 2 bureaucratic
 - 3 organic
 - 4 autocratic
- (6) The activities of team-building include all of the following except ...
- 1 goal-setting.
 - 2 individual/personal development.
 - 3 team-process analysis.
 - 4 role analysis.
- (7) A popular method for improving intergroup relations emphasises ...
- 1 personal development.
 - 2 communication.
 - 3 problem-solving.
 - 4 team-building.

ANSWERS TO ESSAY QUESTIONS

The answers to questions 1 and 4 are discussed. You must prepare the answers for the remaining two questions as well.

Question 1: "Resistance to change is an irrational response." Do you agree or disagree? Discuss. (5)

The answer to this question is not difficult, but requires some understanding of change and behaviour.

Disagree. Resistance to change provides a degree of behavioural stability and predictability. Were it not for resistance, organisational behaviour would take on characteristics of chaotic randomness. Resistance to change may be a source of functional conflict and stimulate healthy debate about the merits of an idea, resulting in a better decision. The downside is that it hinders adaptation and progress.

Question 4: List the five underlying values of most OD efforts. (5)

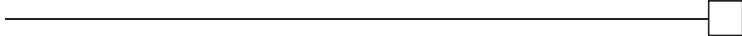
They are as follows:

- respect for people
- trust and support
- power and equalisation
- confrontation
- participation

ANSWERS TO MULTIPLE-CHOICE QUESTIONS

- (1) = 4
- (2) = 4
- (3) = 1
- (4) = 2
- (5) = 3
- (6) = 2
- (7) = 3

APPENDIX A



EVALUATION QUESTIONNAIRE FOR IOP2602

Please circle the “ Yes” or “No” option and return this questionnaire to your lecturer at the Department of Industrial and Organisational Psychology at Unisa:

- | | | |
|---|-----|----|
| Was the study material easy to understand? | Yes | No |
| Do you find the concepts in the study material easy to understand? | Yes | No |
| Does the study material provide sufficient information to answer the assignments? | Yes | No |
| Do you feel that the reading prescribed is relevant? | Yes | No |
| Do you believe that the Organisational Psychology module could contribute to your functioning (both in the working and private environments)? | Yes | No |
| Do you believe that you could apply the knowledge you have gained from the course in your work environment? | Yes | No |
| Do you believe that you could apply the knowledge you have gained from the course in your own home environment? | Yes | No |
| What specific concepts or guidelines did you find most helpful? | Yes | No |
| What specific concepts or guidelines did you find least helpful? | Yes | No |

Additional comments:

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Glossary

Source:

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NOTE

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