
10.9 LEARNING ORGANISATION

A learning organisation:

- Is an active philosophy; not merely an organisational system.
- Believes that its only competitive advantage is learning.
- Encourages people to learn to produce the results they desire.
- Nurtures creative and innovative patterns of collective learning.
- Develops fresh organisational capabilities all the time.

New ideas are essential if learning is to take place. Whatever their source, these ideas trigger organisational improvement. However, creating or acquiring new knowledge is not enough; what is more important is the successful application of knowledge in one's own activities. Learning organisations are skilled at five main activities:

1) Systematic Problem-Solving:

- Relying on the scientific method rather than guesswork for diagnosing problems.
- Insisting on data rather than assumptions, as background for decision-making.
- Depending on simple statistical tools to organise data and draw inferences.

2) Experimentation:

- Systematic searching for and testing of new knowledge.
- Continuous improvement in new methods and technologies.
- Successful ongoing programmes to ensure a steady flow of new ideas, even if imported from outside the organisation.
- Demonstration of organisational capabilities by introducing self-managing teams and high level of worker autonomy.

3) Learning from Past Experience:

- Companies must review their success and failures, assess them systematically and record lessons in a form that employees find open and accessible.

4) Learning from Others:

- Sometimes, the most powerful insights come from one's immediate outside environment.
- Even companies in completely different businesses can be fertile sources of ideas and catalysts for creative thinking.
- Best industry practices are to be uncovered, analysed, adopted and implemented.
- The greatest benefits come from studying practices; the way work gets done rather than results.

- 5) Transferring Knowledge:
 - Knowledge must spread quickly and efficiently throughout the organisation.
 - Make use of mechanisms such as written and oral communications, site visits and tours, personnel rotation programmes, education and training programmes for transferring knowledge.
 - Transfer may be from division to division, department to department, or facility to facility; they may involve senior, middle, or first level managers.

Characteristics of Learning Organisation

Some of the common operational practices of learning organisations dealing with people are openness, systematic thinking, creativity, awareness of personal and organisational values, empathy and sensitivity.

Senge, who popularised the term learning organisation states that such organisations have the following five principles:

- 1) **Personal Mastery:** Creating an organisational environment, which encourages all its members to develop themselves toward goals and purposes they choose.
- 2) **Mental Models:** Reflecting upon, continually clarifying, and improving internal pictures of the world, and seeing how they shape our actions and decisions.
- 3) **Shared Vision:** Building a sense of commitment in a group, by developing shared images of the future and guiding principles and practices.
- 4) **Team Learning:** Transforming conversational and collective thinking skills, so that groups of people can reliably develop intelligence and ability greater than the sum of individual members' talents.
- 5) **Systems Thinking:** Thinking about, and a language for describing and understanding forces and interrelationships that shapes the behaviour of systems.

These principles translate into the following three key practices that enable an organisation to promote and support continuous learning:

- 1) The ability to learn from each other
- 2) The ability to learn from personal experience
- 3) The ability to learn from the system (that is, organisation successes and failures)

A learning organisation is characterised by:

Openness: The learning organisation has to be open to enquiry and tolerant of criticism and debate.

Innovation: The learning organisation has an organic structure and culture which permits it to evolve rapidly. It has a deep skill base and capacity to deal internally with complexity and uncertainty.

Strategic Orientation: The learning organisation cares both for its customer and its employees.

Pedler (1991), suggest eleven features or characteristics that will be present in a learning organisation. They are as follows:

- 1) The learning approach or strategy
- 2) Participative policy making
- 3) Informating
- 4) Formative accounting and control
- 5) Internal exchange
- 6) Reward flexibility
- 7) Enabling structures
- 8) Boundary workers as environmental scanners
- 9) Inter-company learning
- 10) Learning climate
- 11) Self-development opportunities for all

Organisations of the future will not survive without becoming communities of learning. It is absolutely essential for organisations to learn from their environments, to continually adjust to new and changing data, and just as in the case with the individual, to learn how to learn from the uncertain and unpredictable future.

Garvin argues that organisations learn through five main activities: (1) systematic problem solving; (2) experimentation with new approaches; (3) learning from their own experience and past history; (4) learning from the experiences and best practices of others; and (5) transferring knowledge quickly and efficiently throughout the organisation.

Organisational learning is the result of an ongoing process that includes the following:

- 1) Assimilating information.
- 2) Translating that information into knowledge.
- 3) Applying that knowledge to real needs.
- 4) Receiving feedback to revise the information and reshape the knowledge.

Three levels of training interact to make up organisational learning:

- a) individual learning,
- b) small group learning; and
- c) whole organisational learning.

Individual learning occurs as each employee acquires the knowledge, develops the skills, and adopts the attitudes and beliefs that will help the organisation succeed.

Small group learning occurs as the members of a group discover together how best to contribute to the performance of the group as a whole. They learn from and about each other, they learn how to work effectively as a group, and how to apply that knowledge in order to achieve the purposes of the group.

Organisational learning occurs through the shared insights, knowledge, and mental models of the organisation. Organisational learning builds on past knowledge and experience, i.e., on organisational memory, which depends on institutional mechanisms (e.g. policies, strategies, and explicit models) used to retain knowledge.

Application of Learning in Organisations

Three systematic approaches to incorporating learning in organisations involve training, organisational behaviour management and discipline.

Training: Training is the process through which people systematically acquire and improve the skills and knowledge needed to better job performance. Many executive training programmes systematically attempt to develop the skills of their top managers. This is accomplished either by bringing in outside experts to train personnel in-house, or by sending them to specialised programmes conducted by outside agencies.

The principles that help in the effectiveness of training are:

- 1) **Participation:** People not only learn more quickly, but also retain the skills longer when they have actively participated in the learning process.
- 2) **Repetition:** The benefits of repetition for learning new skills or performing a task need not be emphasised.
- 3) **Transfer of Training:** What is learned during training sessions must be applied on the job.
- 4) **Feedback:** It is extremely difficult for learning to occur in the absence of feedback - that is, knowledge of the results of one's actions. Feedback provides information about the effectiveness of one's training.

Organisational Behaviour Management: It implies systematic application of positive reinforcement principles in organisational settings for the purpose of raising the incidence of desirable organisational behaviours. To be effective in using organisational behaviour management programmes, managers should:

- 1) Pinpoint the desired behaviour.
- 2) Determine exactly how will people perform the behaviour they wish to change.
- 3) Determine exactly what performance goal is being sought.
- 4) Decide exactly how the desired behaviour will be rewarded.
- 5) Facilitate learning by rewarding behaviours that come closer to the criterion.
- 6) Reevaluate the programme periodically.

Discipline: Just as organisations systematically use rewards to encourage desirable behaviour, they also use punishment to discourage undesirable behaviour. There

are innumerable problems in an organisation such as absenteeism, late coming, theft, alcoholism, substance abuse, which cost companies vast sums of money. The companies manage such situations by timely administration of punishment.

Learning Disabilities

Senge in his book has identified a number of learning disabilities. Some of them are listed below:

- a) The myth of teamwork (i.e., most teams operate below the level of lowest IQ in the group).
- b) The delusion of learning from experience (i.e., attempting to understand the future by relying on the past, which means we solve the same problem over and over again, hence we make the problem worse).
- c) To offset the learning disabilities, he has enunciated Laws of the Fifth Discipline:
 - 1) Today's problems come from yesterday's "solutions".
 - 2) The harder you push, the harder the system pushes back.
 - 3) Behaviour grows better before it grows worse.
 - 4) The easy way out usually leads back in.
 - 5) The cure can be worse than the disease.
 - 6) Faster is slower.
 - 7) Cause and effect are not closely related in time and space.
 - 8) Small changes can produce big results — but the areas of highest leverage are often the least obvious.
 - 9) You can have your cake and eat it too — but not at once.
 - 10) Dividing an elephant in half does not produce two small elephants.
 - 11) There is no blame.

Developing the Learning Organisation

There are three primary tasks toward developing the learning organisation.

- 1) First, leaders and managers must create opportunities for learning.
- 2) Second, they must foster desirable norms and behaviours.
- 3) Third, they must personally lead the process of discussion, raise questions, listen attentively and provide feedback.

Organisations learn only through individuals who learn. Individual learning does not guarantee organisational learning; but without it no organisational learning occurs. The approach that needs to be taken is that learning must be continuous and integrated so that employees understand and accept the need for change which finally results in improved work culture.

Learning organisations are not built overnight. It is a slow and steady process of cultivated attitudes, commitments and management processes. Any company that wishes to become a learning organisation can begin by taking a few simple steps. The first step is to foster an environment that is conducive to learning. The second step is to open up boundaries and stimulate the exchange of ideas. The

third step is to eliminate barriers that impede learning and assign learning a higher position in the organisational agenda.

Based on a large number of case studies, Ramanarayan and Bhatnagar (1993), laid out the following factors that facilitate organisational learning:

- 1) Commitment to well-defined organisational priorities.
- 2) Effective HRD systems.
- 3) Mechanisms of collective thinking.
- 4) Flexible and participative leadership styles.
- 5) Collaboration and teamwork.

They also found the following factors that hinder organisational learning:

- 1) Culture of complacency arising from past successes.
- 2) Excessive bureaucratic and centralised methods of working leading to delays.
- 3) Narrow definition of roles of organisational members in hierarchical organisation leading to loss of creativity among employees.
- 4) Due to preoccupation with day-to-day firefighting functions, less attention is usually given to important issues of change and innovation.

10.10 SUMMARY

- Learning is understood as the modification of behaviour through practice, training, or experience.
- The distinction between explicit knowledge and tacit knowledge is that the former is organised and can be communicated from one person to another while the latter is what one knows but cannot express.
- There are four approaches to learning known as classical conditioning; operant conditioning; cognitive learning; and social learning.
- Classical conditioning is based on the premise that a physical object which initially does not elicit a particular response, gradually acquires the capacity to elicit that response as a result of repeated pairing with a stimulus that can elicit a reaction.
- Operant conditioning proposed by B.F. Skinner refers to the process that our behaviour produces certain consequences and how we behave in the future will depend on what those consequences are.
- Cognitive learning deviates from the other two in that learning is considered as the outcome of deliberate thinking about the situation and responding in an objective manner.
- Social learning also known as observational learning occurs by observing others – parents, teachers, peers, film stars and other popular figures in public life – due to social interaction, or by observing the behaviour of role models in a social setting.
- Learning becomes effective when it is based on certain principles such as motivation, reinforcement, whole versus part learning, learning curves, and meaningfulness of material.

- Motivation to learn makes learning more effective, without which learning does not occur.
- Reinforcement refers to the consequences of a behaviour.
- Reinforcement is the attempt to develop or strengthen desirable behaviour; a sort of feedback about the success of past behaviour.
- Feedback is information that can be used to modify or maintain previous behaviour.
- Feedback comes in different forms like intrinsic; extrinsic; concurrent; and delayed.
- If consequences of a behaviour are positive, there will be a positive reinforcement.
- Behaviour does not get repeated when the consequences are negative – there is negative reinforcement.
- Positive or negative reinforcement is administered through certain schedules.
- Schedules of reinforcement are: (a) fixed-interval schedule; (b) variable-interval schedule; (c) fixed-ratio schedule; and (d) variable-ratio schedule.
- People differ in many ways regarding their background, skills, and expectations; and hence management must recognise their differences and develop reinforcement process and programmes keeping in mind employee needs.
- A learning organisation is one that is successful at acquiring, cultivating, and applying knowledge that can be used to help it adapt to change.
- Organisational learning means the process of improving actions through better knowledge acquisition, clearer understanding, and improved performance.

10.11 SELF-ASSESSMENT QUESTIONS

- 1) What is learning? What are its distinguishing features?
- 2) What are the four basic reinforcement strategies employed in encouraging desirable behaviour and discouraging undesirable behaviour?
- 3) How do you distinguish between classical and operant conditioning? What relevance these concepts have in an organisational setting?
- 4) Explain the various approaches to learning. How does each approach differ from the other?
- 5) What are the schedules of reinforcement? In your opinion, which one of the schedules is more suitable for continuous desirable behaviour?
- 6) Define learning curves. Differentiate between positive and negative reinforcement.
- 7) What is learning organisation? What are its distinguishing characteristics?

10.12 FURTHER READINGS

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UNIT 11 PERCEPTION AND ATTRIBUTION

Objectives

After going through this unit, you will be able to:

- understand the meaning and nature of perception
- identify various factors influencing perception
- explain different characteristics of perceiver and facets of impression management.

Structure

- 11.1 Introduction
- 11.2 Definition and Nature of Perception
- 11.3 Basic Elements in Perceptual Process
- 11.4 Factors Influencing Perception
- 11.5 Perceptual Organisation
- 11.6 Social Perception
- 11.7 Impression Management
- 11.8 Attribution
- 11.9 Summary
- 11.10 Self-Assessment Questions
- 11.11 Further Readings

11.1 INTRODUCTION

Perception is the selection and organisation of environmental stimuli to provide meaningful experiences for the perceiver. It is the process through which the information from outside environment is selected, received, organised and interpreted to make it meaningful. It is an important input in individual behaviour. The receiver, the received, and the situation influences one's perception. It is an important variable affecting several areas of an organisation. The differences between the perceptual worlds of the employees and managers and the reality of the organisation will provide the basic inputs into the understanding of organisational behaviour. Also we have examined the social perception process in terms of perceiver, perceived one, situation, attribution and likely errors to occur in this process. Further, we have tried to explore how impression management is used by people to manipulate situations. Finally, we have taken note of the process of attribution by which an individual assigns attributes and causes to the behaviour of others.

In this unit, we try to understand the individual differences in terms of the various factors affecting perception, the perception process, and the working of perceptual organisation. Attribution theory also forms a part of this unit.

11.2 DEFINITION AND NATURE OF PERCEPTION

Perception includes all those processes by which an individual receives information about his environment – seeing, hearing, feeling, tasting and smelling. In simple terms, perception is understood as the act of seeing what is there to be seen. “The study of perception is concerned with identifying the processes through which we interpret and organise sensory information to produce our conscious experience of objects and object relationship.” It is the process of receiving information about and making sense of the world around us.

Perception implicates the search for obtaining and processing of the information in the mind. It can also be referred to as a psychological process where people obtain (or take) information from the environment and make sense of their worlds.¹

Very often two people who have seen the same thing end up interpreting it differently. The reason for such occurrence is because of the involvement of an extremely complex cognitive process mentioned above. Each person has a unique perception resulting in individual differences in processing information which is received. Perception plays a very important role in shaping the personality of an individual. Through the process of perception individuals organise and interpret their sensory impressions, so as to provide meaning to their environment. It is possible that what is perceived by the individual may be quite different from actual reality.

Nature of Perception

It is to be noted that perception is a unique interpretation of the situation by the individual and that it is not an identical recording of it. Thus, we have to remember:

- Perception is a complex cognition process, giving a unique interpretation (or picture) of the world, which may be very much different from reality at times.
- There is a lot of difference between the perceptual world and the real world.
- Many of the problems occurring in organisations (related to organisational behaviour) are often found to be the problems of perception.

Activity 1

Choose a film that you have seen recently and which you enjoy particularly. Now, find a friend or colleague who has also seen the same film but disliked it. Share your views of that film. What factors (age, sex, background, education, interests, values and beliefs, social views, past experience, and so on) can you identify that explain the differences in perception between you and your friend or college?

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11.3 BASIC ELEMENTS IN PERCEPTUAL PROCESS

It has been noted that often different people perceive a situation differently, in terms of what is selectively perceived and how it is organised, interpreted and finally perceived by them. Individuals receive stimuli from the environment through their five sense namely, taste/smell/hearing/sight/touch. There is a tendency to selectively pay attention to certain aspects of the environment. In other words, a person's perceptual selection may be on account of the interplay of a complex set of factors, some are the internal factors while some form a part of external factors. Say, for instance, the personal secretary to the manager may ignore the sounds (or voices) of the other employees talking but jumps up and becomes alert as soon as the telephone starts ringing.

The next step involves the perceptual organisation. Since there will be variations in how people interpret what they perceive i.e., the person organise the stimuli selected into meaningful pattern depending upon the circumstances and the state of mind of those involved.

11.4 FACTORS INFLUENCING PERCEPTION

It has been understood that each one of us may be the same person, object or event and yet think of it differently. Supposing you visit an arts and craft exhibition, took a look around and then ask your friend also to visit the exhibition. Later on, when you exchange notes with your friend, you will be surprised to note that your friend's views and expressions about the display differ Usually individuals are involved in a process of perceptual selection whereby people filter out most stimuli so that they can deal with the most important ones. This process depends on several factors. Let us have a look at those factors which affect the perceptual process:

The Perceiver

- **The understanding of what a person interprets when looking at the object or target being perceived will be influenced by the personal traits of the individual who perceives this:** For instance, we presume an individual is planning to purchase a car then it is observed that he starts noticing other brands of cars (falling within his budget) with more interest. Of course, this results in the purchase of a particular brand of car which is influenced by his perception. And this is how factors associated with the perceiver can greatly influence his or her perceptual process.
- **Attitude influences a person's perception:** We can take example, Suma and Uma are two friends who have cleared their bachelor's degree in management and are interested in pursuing further studies and get into reputed business management institutes for obtaining a MBA degree. In order to improve their personality, both of them get enrolled; into a well-known personality development centre. Suma enjoys interacting in a small group because of personal interaction between the lecturer and the student group. However, Uma basically being an introvert preferred to be a part of a large group so as to enjoy anonymity amidst the group. When both Suma and Uma sat down for the first session on 'personality development', with a class of fifty students, Suma seemed unhappy to be amidst a large class

while Uma looked relieved to be able to merge unnoticed into the large class. This example reveals that both Suma and Uma saw the same thing but interpreted it differently.

- **Unsatisfied needs or motives influence an individual's perception strongly:** This particular aspect was highlighted in a study with hungry subjects. This research study revealed that people who had been hungry for as long as 16 hours saw more frequently images of food when they were shown blurred pictures in comparison to those who had been hungry only for a short time.
- **The perceptual process can also be influenced by one's interest:** For instance, a fashion designer is more likely to be noticed a beautiful outfit worn by a girl crossing the road rather than the traffic policeman. This can be because his chosen profession has narrowed down his focus.
- **One's experience in the past can also narrow down one's focus. And newness or novelty also influences perception:** An individual has the tendency to perceive those things (or objects) to which he or she can relate. But very often one's past experience may reduce or nullify an object's interest.

In India, the breaking away of the joint family set-up and making way to the working couple nuclear family set up had not been easily accepted by the society especially during the 70's and 80's of the century. However, from the 90's onwards with a significant increase in the number of women joining industries and also occupying senior managerial positions, there is a gradual change and people's negative perception/views/apprehensions about women executives is slowly taking a back seat.

- **Expectations also influence an individual's perception:** At times expectations can affect one's perception such that if we expect to see something we may actually end up seeing that. For instance, if we expect lawyers to be unscrupulous, politicians to be corrupt, youngsters to be rude and so on, we will perceive them to be so, totally ignoring the individual's real traits.

The Target

Perception is impacted by the motion, sound, size and other such characteristics of the target. This usually occurs because the target is not perceived in isolation but along with its background. Moreover, we have a tendency to group close things and similar things together.

- **What one sees and perceives (observes) will generally depend on how one separates the figure from its general background:** For instance, when the lecturer uses the blackboard for teaching and for writing uses white chalk pieces, the students are not seeing them as patches of white chalk but recognise each alphabet and see the words accordingly.
- **At times even physical and time proximity makes one put together objects or targets even when they are unrelated:** For instance, recently we have been hearing of plane crashes involving fighter planes and domestic plane carriers. Suddenly many people may conclude that it is dangerous to

travel by air. Though the above incidents may be unrelated, their proximity in time may have led people to develop such unrealistic perceptions about flying.

- **At times people have the tendency to perceive people, objects or events that are similar to each other also as being grouped together:** Greater is the similarity, more is the probability of perceiving them as a common group. For instance, there is a tendency among people in India to perceive that all foreign tourists (white coloured people) are rich. This perception is based on the white skin ignoring all the other unrelated traits.

The Situation

The context in which we perceive events or objects is also important. There are elements in our surrounding environment which influence our perception. For instance, if the managing director of a company calls for a meeting with his general managers, and on that day a junior manager makes a small mistake, the general manager is more likely to register and notice that which otherwise on any other normal day would have been overlooked. If, say a person attired in a dhoti-kurta were to enter the office premises, he is likely to draw more eyes compared to if he were to be attired in the same dress when walking around in the compound of his house. This means that perception is influenced by various situational factors such as time, location, light, heat and so on. These may simultaneously impact the perception process making it extremely complex.

In brief, the following are the factors influencing perception:

The Perceiver

- Attitudes
- Motives
- Interests
- Past experience
- Expectation

The Target

- Background
- Physical and Time Proximity
- Novelty
- Motion
- Sounds
- Size

The Situation

- Time
- Work environment
- Social environment
- Light
- Heat

Activity 2

Identify examples of the way in which advertisements creatively use stimulus factors to attract our attention in newspapers and magazines, billboards, and television.

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11.5 PERCEPTUAL ORGANISATION

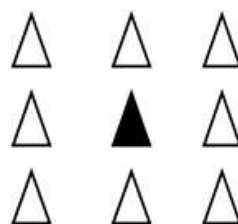
Perceptual organisation is the process by which people group environmental stimuli into recognizable pattern.² That is, an attempt is made to explain what happens during the perceptual process when information from the situation is received. A person is not likely to perceive patches of colour, or light or smell. On the contrary, the person usually perceives some organised patterns of stimuli and clearly whole objects which are identifiable.

For instance, if your father gifts you a motor bike, you do not merely perceive the colour, or mileage or looks or the seat cover but you perceive the motor bike as a whole. Simply stated, a person’s perceptual process organises the incoming information into a meaningful whole. Even though it is still too early (because a lot is still to be learned) to clearly state on how the human mind assembles, organises and categorises information.

Now, let us take a look at some forms of perceptual organisation, namely: Figure-Ground principle, perceptual grouping, perceptual constancy, perceptual context and perceptual defence.

Figure-Ground Principle

According to this principle perceived objects will be separate from it’s background. i.e., the figure is always perceived to be in contrast to its background and hence will be noticed. Of course, the manner in which the figure is perceived will depend upon the background. For instance, if one were to have a look at the triangles given below:



What is your observation of the above diagram? yes, you must have noticed the one dark triangle in the centre more prominently than the other triangles. This is because of that triangle’s dissimilarity (it has darker shade than others) and its

position is in the centre of the diagram. Thus, very often our perception of a particular object (or person) is also shaped depending upon the positioning of that object.

Perceptual Grouping

This fundamental principle of perceptual grouping refers to the tendency to group several stimuli into a recognisable pattern. This grouping is usually done on the basis of continuity, closure, proximity and similarity. These factors are briefly explained below:

- a) **Continuity:** The tendency to perceive objects as continuous patterns.
- b) **Closure:** This refers to the tendency to close or complete an object or event and perceive it as a whole even though only a part of the object is evident.
- c) **Proximity:** This refers to the tendency to perceive a group of objects to be related merely because of their closeness.
- d) **Similarity:** More is the similarity between the objects (or ideas), greater is the tendency to perceive them as a common group.

Perceptual Constancy

“Perceptual constancy can be said to be a sophisticated form of perceptual organisation. Constancy will highly be appreciated in this tremendously changing and highly complex world. Perceptual constancy works on the principle of learning and that it (perceptual constancy) emanates from patterns of cues.

According to this principle, irrespective of the information received by the senses, the size, shape, colour, brightness and location of an object remain fairly constant. The patterns of cues are very often learned by the individual. This learning takes place even though each situation is different and there are interactions between the inborn and learned tendencies within the entire perceptual process.

It is this constancy which helps people to make sense and order out of the chaotic world we live in. For example, say with the sudden exit of a financial executive from the firm ABC, a chartered accountant is hired and within a short span of time he is able to put the financial statements in the desired sequence. Take another example, have you not witnessed the ease with which a plumber picks up a particular piece from the heap of plumbing material. In both the above examples, it is due to constancy that both the chartered accountant and the plumber were able to go ahead with their task. For if it were not so, both of them would have seen the size, colour, and shape change every time they looked around and would not have been able to perform their job efficiently.

Perceptual Context

Perceptual context is the highest form of perceptual organisation. It is this context which gives meaning and value to simple stimuli, objects, events, situations, and other individuals in the environment. For instance, just take a look at some doodles given hereunder:



Is one able to understand the meaning of these doodles? Obviously No! But if these doodles were to be communicated in a verbal or written context, it would

have indicated some understanding or meaning to a person. This can also be explained with reference to an organisation. The organisation structure and organisation culture are a primary context for the employees and all their behaviour will be relevant to this. For instance, within the organisation, a piece of information communicated in the form of a circular, a notice, a suggestion, a pat on the back, a smile, and a raised eyebrow will acquire a special meaning and added value when placed in the context of the work organisation. Since each context is unique, it will impart a special connotation or meaning to stimuli.

Perceptual Defence

Perceptual defence can be said to be a form of perceptual error, which could occur in reference to perceptual context. It is based on the principle that may prompt a person to build up a defence (or a block or a refusal) to recognise a stimulus or a situational event in a context which may be personally or culturally unacceptable or threatening. Simply put, perceptual defence refers to the tendency among people to protect themselves against ideas, objects or situations which may seem threatening.

11.6 SOCIAL PERCEPTION

Of particular interest in organisational behaviour is the process of social perception or person perception. Person or social perception is the process by which individuals attribute characteristics or traits to other people. It is closely related to attribution which will also be discussed in this unit later on.

The concept of social perception has relevance to organisational behaviour because here the object being perceived in the environment is another person. Even though an understanding of perceptions of situations, events and objects are important, it is the knowledge of individual differences in perception of other people which plays a crucial role in employee behaviour in work environment. Thus, social perception is merely concerned with knowing how one individual perceives other individuals.

We usually categorise factors that influence how a person perceives another in terms of:

- Characteristics or attributes of the person being perceived
- Characteristics of the perceiver
- Situation or context within which the perception takes place.

Characteristics of the Perceiver

The profile of the perceiver can be as follows:

- a) If a person knows himself, it will be easier for him to see others accurately.
- b) One's own characteristics affect the traits one is likely to see in others.
- c) People who accept themselves are more likely to see the positive aspects of other people.
- d) Perceiving others accurately is not a single skill.

The above mentioned characteristics of the perceiver can highly influence the way in which one perceives others.

Characteristics of the Perceived

There are also certain characteristics of the person being perceived which can influence the social perception process. The following are characteristics of the perceived one which influences social perception:

- a) One gets influenced by the status of the person perceived.
- b) To simplify the viewer's perceptual activities, the person being perceived is usually put into two categories — status and role.
- c) The visible attributes of the person perceived also affect and influence the social perception process.

Thus, it is such attributes which make the social perception a very complex phenomenon. It is important to note that usually one's social perception process is greatly influenced by one's own characteristics and also the characteristics of the other person. Let us take an example. For instance, if the marketing manager with a high self-esteem sees an attractive and pleasant regional manager (sales) is relocated to head office, the marketing manager is likely to perceive the regional manager in a favourable and positive frame of mind. But if the marketing manager was a person with average or low self-esteem while the regional manager is confident and outspoken and aggressive, he may be perceived in a negative and unfavourable manner. Thus, attributes do play a significant role in social perception. Simply stated, very often we have the tendency to perceive others through the filters of our own image of ourselves.

Situation

The setting or situation also influences one's perception about others. The situation may be particularly significant especially while understanding first impressions or primary effects. For instance, when you happen to meet somebody for the first time in a five-star hotel accompanied by a well-known personality whom you admire and respect, such an association is likely to have a positive influence on your assessment of the new acquaintance. But, if he is with someone whom you dislike intensely, you are likely to form a negative first impression.

Of course, the initial perception may change over a period of time when you interact more with the person and get to know him better. Nevertheless, the first impression may come in the way to colour your later perception of the individual.

Problems in Social Perception

There are four common problems or errors which affect the social perception process namely, halo effect, stereotyping, projection, and expectancy.

Halo Effect Error

Evaluation of another person solely on the basis of one attribute, either favourable or unfavourable, is called the halo effect. This means the halo effect blinds the perceiver to take notice of the other attributes which also are to be considered if the evaluator has to obtain a complete and accurate impression of the other person. Managers have to make efforts to guard against the halo effect especially during a preliminary interview with a prospective employee or rating an existing employee's job performance. One trait may be singled out and used for passing judgment on the performance of the individual. For instance, the interviewer may perceive a beautiful candidate to be suitable to be a personal secretary, though

actually she may be a poor typist and bad secretary. Or an excellent attendance record may indicate perceptions of high productivity, quality work and industriousness irrespective of whether this is accurate or not.

Stereotyping

Stereotyping refers to the tendency to assign attributes to a person solely on the basis of a category of people of which he or she is a member. People have a tendency to expect someone identified as a doctor, lawyer, or a politician to possess certain attributes even if they have met few others who did not have these attributes.

Stereotyping often results in attributing favourable or unfavourable traits to the person being perceived. Very often the person may be aware of only the overall category to which the person being perceived belongs and is thus put into a stereotype. (The perceiver fails to recognise the characteristics that will distinguish the person as an individual and his unique traits and qualities). For instance, common man may refer to a politician saying “he is a politician and hence will be corrupt.” It can be inferred from this statement that what the common man may want to say was that because he belongs to the class of politicians he can safely be labelled as “corrupt”.

Stereotyping affects social perceptions in organisations where the most common stereotyped groups are managers, blue collared workers, supervisors, administrative staff and trade union members.

Projection

Under certain conditions, people tend to see in another person traits that they themselves possess. That is, they project their own feelings, tendencies, or motives into their judgement of others. This may be particularly true regarding undesirable traits which the perceiver possesses but fails to recognise in himself. For example, an individual who is himself not very energetic may see others as lazy or may explain their lack of achievement as resulting from their unwillingness to work hard. One who is dishonest may be suspicious of others and may perceive dishonest intentions in others where they do not exist. People who are afraid may interpret others' behaviour as fearful or anxious.

Expectancy

Expectancy is a tendency to perceive people, objects or events on the basis of what we expected them to be in the first place. It is sometimes referred to as “pygmalion effect”. Pygmalion was a mythical Greek sculptor who made a statute of a girl that he wanted and made her come to life so that what sprang to life was what he expected. Through expectancy, one may create certain things in the work situation that he/she is expected to start with. This aspect is also known as “self-fulfilling prophecy”.

11.7 IMPRESSION MANAGEMENT

Impression management sometimes also referred to as self-presentation may be defined as an attempt by an individual to manipulate and control the impression that others form about them (the person).³ In a simple way impression management can be said to be the process by which people attempt to manage or control the

perceptions formed by others. People have a tendency to present themselves in such a way that they seek to impress others in a socially desirable manner.

Impression management plays an important part in understanding a person's perception. Impression management has two distinct facets.

- Impression motivation (the degree to which an individual actively manages the impression that he or she makes).
- Impression construction (how an individual has consciously chosen an image to convey and also on how he goes about doing that).

Everybody is concerned about the impression that he or she makes on others. In organisations also the employee may be motivated to control the way his superior perceives him. Of course, the extent of motivation to impression management will depend on the relevance of impressions to the person's goals, value of these goals, and the differences between the image one would like others to hold and the image one believes others already have.

It is said that there are five factors which have relevance on the kinds of impression that people try to construct. These are: self-concept, desired and undesired identity images, role constraints, target values, and current social image. However, there is only little information on how people select ways to manage other's perceptions of them. But there is no doubt about the fact that in organisations the impression made on others may make significant implications on an employee's career.

Impression Management Strategies

Here we briefly touch upon two basic strategies used by employees to manage impressions. When an employee tries to minimise his responsibility for an unfavourable event or say he wants to be out of trouble, he may use a demotion-preventive strategy. On the other hand, when an employee wants to maximise responsibility for a favourable outcome or wants to portray a better image of himself or herself, then he or she may use a promotion-enhancing strategy.

The demotion preventive strategies may take the form of:

- a) **Justification of action:** If not completed his work, the employee may try to justify himself by saying that he was not keeping well.
- b) **Forwarding an apology:** The employee may apologize to the boss for some unfavourable happening and tries to impress upon his boss that he is extremely sorry for the occurrence and promises to see that it does not reoccur.
- c) **Disassociation:** When an employee is indirectly associated with something that went wrong, he will try to convey the impression that he was only distantly associated and in spite of being against the decision/action was overpowered by others.

Some of the promotion-enhancing strategies can take the form of:

- a) **Entitlements:** When an employee feels that he has not been given due credit for the work done, he will communicate either formally or informally his feelings to the people concerned.

- b) **Enhancement:** When an employee may have received credit but feels that he deserves more, he will highlight about how his efforts in the future can result in enhanced profits.
- c) **Obstacles disclosure:** Under this strategy, the employee is trying to create the perception that since his achievements have been on account of the big obstacles (either personal or organisational hindrances) cleared by him, he deserves more credit.
- d) **Association:** Here the employee tries to be seen with the right people at the right time to create the impression that he is well connected and associated with successful projects.

The above strategies are adopted to build impressions and perceptions. Thus, employees have to be wary of such deliberate attempts at manipulation while evaluating people.

Impression management has its impact on the success of getting a job and also on his or her career. It also has an influence on his or her relationships with others. Superiors feel better disposed towards those subordinates who manage to project better image.

Impression management is not practised only by individuals. Organisations also seek to create impressions. Called the corporate image, organisations gain considerably by this exercise. A good corporate image means better employees, expanded markets, and more responsive investors.

11.8 ATTRIBUTION

Attribution refers to the tendency one develops to explain the ways in which a person judges another person's behaviour. Very often we make attempts to understand the more lasting causes behind others' actions by interpreting their traits, motives and intentions through the attribution process. Simply stated, an attribution is the complex process in which we observe others' behaviour and try to infer causes behind it from various areas.

With reference to social perception there are types of attributions which people generally tend to make. These are:

- a) Dispositional attributions (such as personality traits, motivation or ability) or internal factors.
- b) Situational attribution (social influence of others, equipments, and so on) or external factors.

The attribution theory makes attempts to explain how individuals when observing behaviour attempt to determine whether it is internally or externally caused, based on three factors: (1) Distinctiveness, (2) Consensus, and (3) Consistency. There are significant contributions from attribution theories especially in the areas involving psychological and personality processes like motivation, performance appraisal and leadership.

Attribution theory has important implications for managers. If the manager attributes poor performance to internal factors, he or she can adopt certain

strategies to improve those factors. On the other hand, if the manager attributes poor performance to external factors, he or she can take relevant steps relating to performance improvement.

Let us take an example in an organisational setting. When the production manager notices the outstanding performance of his supervisor, the assessment of his performance will depend on the causes to which he attributes this performance. If he believes that the performance of the supervisor is on virtue of his competence and inner drive, he may praise him and also reward him. If the production manager believes that the performance is the result of using a newer and superior technology, he is likely to treat it in a different manner. This means that perceptions and the subsequent behaviours change depending upon whether internal or external situational attributes are made.

One can make attribution to oneself. If one attributes pay raise to hard work, he or she continues to work hard. Instead, if poor performance is attributed to external factors (such as boss's friendliness) he or she may put more effort into cementing that friendship.

The fundamental attribution error is: (a) the tendency to underestimate the influence of external factors and overestimate the influence of internal factors when making judgements about the behaviour of others; and (b) the tendency for individuals to attribute their own success to internal factors while putting the blame for failures on external factors.

11.9 SUMMARY

- Perception is the act of seeing what is there to be seen.
- Perception refers to the process of receiving stimuli, selecting, grouping, understanding, and reaction to the external stimuli.
- Perception is influenced by the object of perception, the perceiver, and the situation in which the process occurs.
- A person's needs, habits, impact of past experience, ethics and values, attitudes and personality, all influence the perception process.
- Perceptual process comprises five important stages: (a) receiving, (b) selecting, (c) organising, (d) interpreting, and (e) reacting to the stimuli.
- Each stage in the perceptual process is influenced by several factors.
- Perception plays spoil sport with human behaviour.
- Barriers like stereotyping, halo effect, projection, attribution and self-fulfilling prophecy distort perception.
- Halo effect refers to the tendency of perceiving people in terms of good or bad and assigning all good qualities to one who is good and bad qualities to one who is bad.
- Stereotyping, one of the most common barriers in accurately perceiving others, is a tendency to classify people and events into already known or perceived general categories.
- Projection refers to a tendency for individuals to see their own traits in others.

- Expectancy is the extent to which prior expectations bias perceptions of events, objects, and other persons.
- Perceptual defence is the tendency among people to protect themselves against ideas, objects or situations that may seem to be threatening.
- Being an important variable in individual behaviour, perception needs to be managed effectively.
- Social perception is the process of understanding other people accurately.
- Perceptual organisation is the process by which people group stimuli into patterns.
- Figure-ground principle states that the perceived object or person or event stands out distinct from its background and occupies the cognitive space of the individual.
- Perceptual grouping includes similarity, proximity, closure, continuity, and area.
- Previously held beliefs about objects influencing an individual's perceptions of similar objects is called perceptual-set.
- Role of perception is more felt in performance assessment of employees.
- Impression management refers to the calculated efforts to get others to think of them in the best possible way.
- Attribution is a corollary of perception.
- Attribution has implications for perception, leadership, and motivation.
- Attribution theory refers to the process in which people interpret the reasons or causes for their behaviour.
- Attribution theory suggests that we observe behaviour and then attribute causes to it; i.e., we attempt to explain why people behave as they do.

11.10 SELF-ASSESSMENT QUESTIONS

- 1) Define perception. Explain the perception process.
- 2) What is perception? Why does perception fail?
- 3) Why is it important for managers to have working knowledge of perception and attribution?
- 4) What do you mean by perceptual errors? Cite suitable examples.
- 5) How does perception affect the organisational process? What type of perceptual processes would be detrimental to the efficient operation of an organisation?
- 6) What is attribution theory? What is its application in OB?

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UNIT 12 MOTIVATION

Objectives

After going through this unit, you will be able to:

- understand the concept and importance of motivation
- discuss the types of motivation and important motivation theories
- explain the role of economic and non-economic rewards in improving employee motivation.

Structure

- 12.1 Introduction
- 12.2 Meaning and Definition
- 12.3 Motivating Factors
- 12.4 Importance of Motivation
- 12.5 Motivating Steps
- 12.6 Types of Motivation
- 12.7 Theories of Motivation
- 12.8 Economic and Non-Economic Motivation
- 12.9 Rewarding Systems
- 12.10 How to Improve Motivation?
- 12.11 Summary
- 12.12 Self-Assessment Questions
- 12.13 Further Readings

12.1 INTRODUCTION

People differ by nature, not only in their ability to perform a specific task, but also in their will to do so. People with less ability but stronger will are able to perform better than people with superior ability and lack of will. Motivation represents those forces acting within a person which causes them to behave in a specific goal directed behaviour. Hence, organisations have to make use of rewards and incentives as these are powerful motivators. Motivation is necessary to accomplish tasks, to produce quality goods, and for other related purposes. However, motivation is not an easy task. Since work motives affect the employee's productivity, one of the management's job is to channelize their motivations towards achieving organisational goals. The content theories and process theories help to identify those specific factors which will motivate individuals to behave in a particular way. In this context, the organisations have to make use of a combination of financial and non-financial incentives to achieve a high level of performance among employees. The force of motivation is a dynamic one setting a person into motion or action.

This unit starts with discussion on the various motivating factors which affect an individual's behaviour. Moreover, the importance of motivation, and two broad categories of early and contemporary motivation theories, are also a part of this unit.

12.2 MEANING AND DEFINITION

Motivation is the process of creating organisational conditions which will impel employees to strive to attain company goals. “Motivation represents an unsatisfied need which creates a state of tension or disequilibrium, causing the individual to move in a goal-directed pattern towards restoring a state of equilibrium by satisfying the need.” According to Dubin,¹ “motivation is the complex of forces starting and keeping a person at work in an organisation.” Seen from the corporate perspective, motivation is the willingness to put forth effort in pursuit of organisational objectives.

Motivation refers to the willingness of individual members to set and accept challenging goals, and to take responsibility, their involvement in work, and their job satisfaction. It is a process which begins with a physiological or psychological need or deficiency which triggers behaviour or a drive that is aimed at a goal or an incentive.

The purpose of motivation is to create conditions in which people are willing to work with zeal, initiative, interest and enthusiasm, with a sense of responsibility, loyalty and discipline, and with pride and confidence in the most cohesive manner, so that the goals of an organisation are achieved effectively. Motivational techniques are utilised to stimulate employee growth. Motivation is a combination of many diverse elements which are rather difficult to define. However, two elements have been regarded as important: (a) understanding of the fundamental drives, urges, needs of the people which are subject to emotional stimulation or motivation, and (b) communication with people so that they may have a satisfactory stimulus to their urges.

Motivation is a function which a manager performs in order to get his subordinates to achieve job objectives. It is not merely a management process; there is another side to it — the individual being motivated. Psychologists call individual motivation a state of tension. The motivation of a group is as important as self-motivation. A group can be motivated by improving human relations and dealing with people in a humane way, by developing the will to do, by encouraging involvement in their work, and by giving them an opportunity to improve their performance and by complimenting or praising them. Other important factors which motivate individuals include respect for individuality, good pay, opportunity to do interesting work, feeling that the job is important, a large amount of freedom on the job, and opportunity and self-development. No firm can be productive without motivated employees.

12.3 MOTIVATING FACTORS

Some managers try to motivate employees through the use of rewards, punishments and formal authority. But, motivation is much more complicated than that. It involves ideas of family, team work, variety, growth, learning, salary, other benefits, and the like. Work in itself has become more important than the employer or the organisation. Executives today are interested in challenging assignments that involves application of one’s mind. Risk involvement is appreciated and viewed as exciting so much so that easy jobs involving simple tasks and no risks are demotivating.

Workers, executives and managers today would like to have a 'say' in policies, the rules and regulations, the targets and other job-related issues. Employees do not enjoy a routine, monotonous role of being a cog in the wheel. They prefer taking risks, making decisions and delivering the goods. Need for individuality and for unique identity is felt strongly among young executives today.

Innovation and creativity have come to be crucial needs for executives today. They like to be listened to, for their suggestions and new ideas. They also enjoy implementing new, better and effective strategies to reach the goals of their team/organisation.

There is also the need for the job profile to suit one's aptitude — a software consultant who has aptitude for development but no inclination for teaching, if allocated as training faculty will not be motivated. Another consultant who enjoys teaching will be highly motivated when allocated as training faculty.

There is also the growing need amongst today's workers/executives for enriching one's skills, i.e., for individual development. Employees look forward to development of new skills rather than security of jobs in an organisation. Training and development programmes also provide a break from the daily routine and work pressure. In the absence of such activity, an employee feels demotivated and is unable to give his best to his employer. Today's employees, therefore, want to add value to themselves as they make valuable contributions to their organisations.

Just as employees have a need for challenging work involving risks, they also need to be forgiven for any mistakes made in the process. Employees feel motivated and perform better when mistakes are forgiven or ignored.

12.4 IMPORTANCE OF MOTIVATION

Probably, no concept of human resource management receives as much attention of academicians, researchers, and practising managers as motivation. The increased attention towards motivation is justified by several reasons.

- 1) *Motivated employees are always looking for better ways to do a job:* This statement can apply to corporate strategies, and to production workers. When people actively seek new ways of doing things, they usually find them. It is the responsibility of managers to make employees look for better ways of doing their jobs. An understanding of the nature of motivation is helpful in this context.
- 2) *A motivated employee, generally, is more quality oriented:* This is true whether we are talking about a top manager spending extra time on data gathering and analysis for a report, or a clerk taking extra care when filing important documents. In either case, the organisation benefits, because individuals in and outside the organisation see the enterprise as quality conscious. A clear understanding of the way motivation work, helps a manager make his employees quality oriented.
- 3) *Highly motivated workers are more productive than apathetic workers:* The high productivity of Japanese workers and the fact that fewer workers are needed to produce an automobile in Japan than elsewhere is well-known.

The high productivity of Japanese workers is attributable to many reasons, but motivation is the main factor.

- 4) *Every organisation requires human resource, in addition to financial and physical resources for it to function:* Three behavioural dimensions of human resource are significant to the organisation: (a) people must be attracted not only to join the organisation but also to remain in it; (b) people must perform the tasks for which they are hired, and must do so in a dependable manner; and (c) people must go beyond this dependable role performance and engage in some form of creative, spontaneous, and innovative behaviour at work. In other words, for an organisation to be effective, it must come to grips with the motivational problems of stimulating both the decision to participate and the decision to produce at work.
- 5) *Motivation as a concept represents a highly complex phenomenon that affects, and is affected by, a multitude of factors in the organisational milieu:* A comprehensive understanding of the way in which an organisation functions requires that increasing attention be directed towards the question of why people behave as they do, on their jobs.
- 6) *Yet another reason why increasing attention is paid towards motivation can be found in the present and future technology required for production:* Increased use of technology results in greater efficiency, higher productivity and better standard of living to the people.

12.5 MOTIVATING STEPS

Jucius² has observed that the following steps be adopted in motivation:

- a) ***Sizing Up:*** This involves ascertaining motivational needs. All employees need motivation but of varying kinds and in varying degrees.
- b) ***Preparing a Set of Motivating Tools:*** This requires a selection of specific tools of motivation. An executive, from personal experience, from the experiences of others, and with the help of the personnel department, may draw up a list of devices that may motivate different types of people under different circumstances.
- c) ***Selecting and Applying Motivation:*** The executive should decide the words, the tone of voice and the gestures to be used and make necessary rehearsal for their proper use. Besides, it has also to be considered where and when motivation is to be applied. The place and timing for this purpose are important.
- d) ***Feedback:*** This involves the finding whether an individual has been motivated; if not, some other device may be applied.

While establishing the steps of motivation, an executive should be guided by certain rules. According to Jucius, these rules are:

- a) ***Self-interest and Motivation:*** People are by nature, selfish. When a person realises that his own interests are best served by the attainment of an organisation's goals, he is likely to be motivated.
- b) ***Attainability:*** It is necessary to establish goals that are attainable and when such goals are achieved, it leads to employee satisfaction. Unattainable goals frustrate people.

- c) ***The Human Element:*** Motivation appeals to emotions and feelings. The executive, who is most successful as a motivator, can trace his success invariably to his skill in dealing with peoples' feelings. He can bring out the best in people because he makes them feel good, feel significant, feel worthwhile, and feel that they are growing.
- d) ***Individual Group Relationship:*** Motivation must be based upon group as well as individual-centred stimuli. (e) **Managerial Theory:** Management must base its motivational efforts on sound theory.

12.6 TYPES OF MOTIVATION

If a manager wants to get work done by his employees, he may either hold out a promise of a reward for them for doing work in a better or improved way or instil fear into them to do the desired work. In other words, he may utilise a positive or negative motivation. Both these types are widely used by managements. Positive motivation includes praise and credit for work done, competition, pride, delegation of responsibility, appreciation, and pay. Positive motivation leads to a good team spirit, co-operation and feeling of happiness. Negative motivation is based upon force and fear. Fear causes persons to act in a certain way because they are afraid of the consequences if they don't. Fear motivation is a "push" mechanism. Imposition of punishment frequently results in frustration among those punished, and an unfavourable attitude to the job. In spite of these demerits, negative motivation has been used to achieve the desired behaviour in some cases. There is no management which has not used the negative motivation at some time or the other. However, in recent years the trend has been towards the use of positive motivation.

Extrinsic motivation is concerned with external motivators which employees enjoy — pay, promotion, status, fringe benefits, holidays, retirement plans and health insurance schemes. By and large, these motivators are associated with financial rewards. Intrinsic motivation, on the other hand, is concerned with the feeling of having accomplished something worthwhile, i.e., the satisfaction one gets after doing one's work well. Praise, responsibility, recognition, esteem, power and status are examples of such motivation.

12.7 THEORIES OF MOTIVATION

There is no shortage of models, strategies and tactics for motivating employees. All the theories can broadly be classified as content theories and process theories.

1. **Maslow's Theory of Hierarchy of Needs:** People go to work in order to satisfy their needs and aspirations. These needs are not constant but they change according to circumstances status, environment, society, groups, and so forth. From Prof. A.H. Maslow (1943), we have a theory of motivation where he identified a hierarchy of needs as shown below.

Maslow argued that as one's need is met, then the individual moves on to the next need. First of all, the individual has the basic physiological needs such as food, shelter, clothing, and works in order to satisfy these needs. Once these needs are satisfied, the individual moves to a higher plane of needs. Secondly, an individual has safety needs such as security and

protection — the need to provide a safe and secure physical and emotional environment, an environment that is free from threats to continued existence. Once these needs are met, the individual moves on to satisfy the third type of needs called “social needs” or “belongingness needs.” These needs relate to one’s desire for social acceptance and friendship. The fourth type is self-respect and self-esteem. The esteem needs focus on one’s desire to have a positive image to receive recognition, attention and appreciation from others for one’s contribution. The last type of needs are those of self-fulfilment and self-actualisation for realising the fullest stature. People who have become self-actualised are self-fulfilled and have realised their full potential. Self-actualisation is an individual’s motivation to transform the perception of self into reality.

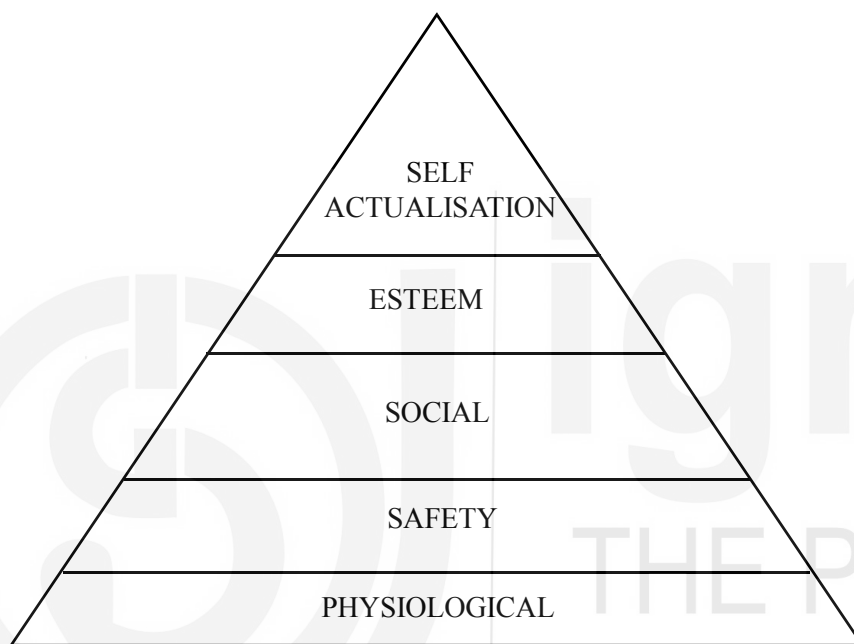


Fig. 12.1

- 2) **McGregor’s Theory X and Theory Y:** Prof. Douglas McGregor has presented two opposite sets of assumptions about employees. These have been represented by Theory X and Theory Y. Theory X represents standard bureaucratic and authoritarian attitude towards employees and is based on certain assumptions such as: (i) the average person dislikes work and, whenever possible, will avoid it; (ii) most people are not ambitious, have little desire for responsibility and prefer to be directed; (iii) to get people to work, it is necessary to use strict control, threats, constant pressure, coercion, persuasion, and even punishment; (iv) most people have little capacity for creativity in solving organisational problems; and (v) people actually like to be directed and supervised very closely.

McGregor drawing heavily on Maslow’s hierarchy of needs, concluded that the “theory X assumptions about human nature, when universally applied, are often inaccurate and that the management approaches that develop from these assumptions may fail to motivate many individuals to work towards organisational goals.” He observes: “Management by direction and control may not succeed because it is a questionable method for motivating people whose physiological and safety needs are reasonably satisfied and whose

higher level needs are becoming predominant.” He, therefore, developed an alternative theory of human behaviour called Theory Y. Theory Y assumes that people are not by nature lazy and unreliable. They enjoy work, show initiative and imagination in self-direction and self-control. Some assumptions of Theory Y are: (i) Work is a natural activity, like playing and rest, if the conditions are favourable. (ii) Close supervision and threats of punishment are not the only ways to get people to do things. (iii) Motivation occurs at the social esteem and self-actualisation levels, as well as at the physiological and security levels. (iv) People can be self-directed and be creative at work if properly motivated.

- 3) **Herzberg’s Two-Factor Theory:** A significant development in motivation research was made by Frederick Herzberg (1959) and associates who distinguished between motivational and maintenance factors in the work situation. Maintenance of hygiene factors are those which belong to the company policies and administration, supervision, inter-personal relations, working conditions, pay, job security, personal life, status. Herzberg³ propounds that these factors help in removing discomfort, dissatisfaction and discontent on the part of the employees but are not motivators as traditionally perceived by management. These potent dissatisfiers are called maintenance factors on the job because they are necessary to maintain a reasonable level of satisfaction in employees. They are also known as hygiene factors because they support employees’ mental health. But in themselves, they are not motivators according to Herzberg and his team. The real motivators that primarily build strong motivation and high job satisfaction among employees are achievement, recognition, advancement, work itself, possibility of growth, and responsibility. According to Herzberg, the motivating factors are intrinsic to the job, while the maintenance and hygiene factors are extrinsic to it.

According to Dumette, Campbell and Hakel (1967), Herzberg’s Motivation Hygiene Theory has accomplished three important objectives:

- 1) It has discovered those features of job situation that make the difference between satisfaction and dissatisfaction.
- 2) Unlike the tradition of most previous research it emphasises those job features that lead to change in feelings towards the job.
- 3) It developed a taxonomy of job situations consisting of satisfying and dissatisfying features. Satisfying features which the employees would like to attain and the dissatisfying features that they would like to avoid.

Herzberg’s theory has, however, been criticised by many authors. For example, Keith Davis has observed that a limited testing of the model on blue-collar workers suggests that some items normally considered as maintenance factors are frequently considered motivational factors by the blue-collar workers. Some authorities doubted whether the factors leading to satisfaction and dissatisfaction are really different from each other. In less developed countries, it is likely that workers will designate some of the maintenance factors or hygiene factors as motivators, since they are yet to meet some of their lower order needs.

- 4) **McClelland's Theory of Motivation:** McClelland's theory (1953) is quite extensive and involved. His contribution in developing the concepts of need for achievement and need for power is of great significance. According to him, two motives are innate, namely, striving for pleasure and seeking to avoid displeasure or pain. All the other motives are acquired.

According to him people can be classified into two broad groups — one small and the other large. Those falling in the small group are challenged by opportunities and are willing to work hard to achieve some goal. People in the large group, on the other hand, have less need of achievement and are not so challenged by opportunities.

Achievement-oriented people possess certain characteristics. They prefer a moderate degree of risk because they feel that their efforts and abilities will probably influence the outcome. In business, such people are successful entrepreneurs; and the organisation with many such people grows faster and is profitable.

McClelland differentiates between personal power and institutional or social power. Individuals high in need for personal power like to inspire subordinates and expect the latter to respect and obey them. Managers who are high in institutional power, however, tend to exert authority and influence so as to achieve the goals of the organisation rather than to gain any personal ego satisfaction.

- 5) **Vroom's Expectancy Theory:** Expectancy Theory, as applied to behaviour at work, has been formulated mainly by Victor H. Vroom (1964). It explains that motivation is a product of the values one seeks and one's expectations of the probability that a certain action will lead to those values. According to this theory, an employee's motivation is a force driving him to achieve some level of job performance. The force or effort depends upon his perception of the probability or likelihood of certain outcomes resulting from his efforts, as related to the value he places on these outcomes. For example, if an employee believes that if he performs at a high level, he will be paid a higher income which is of value to him, then he will produce more. In achieving a high level of performance, he has the satisfaction which, in turn, influences his future effort. The essence of this theory is that an employee performs a kind of cost-benefit analysis. If the estimated benefit is enough to justify the cost of greater effort he is likely to put in greater effort.
- 6) **Skinner's Behaviourist Theory:** The Harvard University Psychologist, Prof. Skinner (1953), has contributed a new concept of motivating people and the concept is variously called "behaviour technology", "behaviour modification" or "positive reinforcement." Prof. Skinner suggests that people perform better and gain better in psychological satisfaction on the job when they receive proper appreciation and praise for their good work.
- 7) **Likert's Employee-Centred Approach:** Rensis Likert⁴ (1961-67) believes that as organisations move from a highly exploitative autocratic system to a democratic style, they will meet the needs of human beings and become productive organisations. Likert and his colleagues conducted research at the University of Michigan, and came to the conclusion that "both human resources and capital resources need to be considered as assets requiring

proper management.” They also suggested that if a supervisor wants to motivate his workers, he should be “employee-centred” rather than “job-centred.”

8) **Argyris (1957-64):** He feels that organisations treat individuals in the system as children, assigned to them simple tasks, and create dependence in them by exercising too much control over them. This is dysfunctional to healthy humans and results in frustration and a lack of work role involvement. Argyris argues that by giving increased responsibility, a broader range of tasks, and independence, employees will reach their potential and increase their productivity. Thus, by treating individuals like mature adults, organisations can increase productivity while at the same time meet the needs of individuals for independence and growth.

9) **Lyman Porter and Edward Lawler (1968):** They came up with a comprehensive theory of motivation. If the reward to be obtained is attractive or of expected utility, then the individual will decide to put in the necessary effort to perform the job. If the expected reward is not so, he will lower his efforts. In addition, the individual performing the job should also have accurate role perceptions. Role perceptions refers to the way in which people define their jobs. We often hear managers say that the job is what the employee makes of it. Some people may take on additional responsibilities and expand the scope of their job. Others may avoid some aspects of their job and hence narrow its scope. Thus, people may perceive their roles differently.

Porter and Lawler’s model is of great significance to managers since it sensitises them to focus attention on the following to keep their employees motivated:

- 1) Put the right person on the right job.
- 2) Carefully explain to employees what their role is, and make sure they understand it.
- 3) Prescribe in concrete terms the actual performance levels expected of the individuals.
- 4) Make sure that the rewards dispensed are valued by the employee. That is, find out what kind of rewards are appropriate and attractive to the employee and see if such rewards can be given to them.

10) **Goal-setting theory:** Goal-setting is one of the most effective and widely practised tools of motivation. Goals are the immediate or ultimate objectives that employees are trying to accomplish from their work efforts in organisations. Goals lead employees to compare their present performance with the goals laid down. When individuals succeed in reaching a goal, they feel competent and successful. Goals need to fulfil certain requisites if they were to impact employee behaviour. One requirement is that goals must be specific. Similarly, organisational support towards goal attainment supported by individual abilities and traits leads to goal realisation.

Goal-setting theory is a very powerful technique of motivation. When used correctly, carefully monitored, and actively supported by managers, goal-setting can improve performance.

Activity 1

Think of a person, who in the past did an excellent job of motivating you. Which of the following approaches did he use? Why?

- a) Lower order or high order needs
- b) Motivational or maintenance factors
- c) ERG needs
- d) Behaviour modification

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12.8 ECONOMIC AND NON-ECONOMIC MOTIVATION

Economic motivation is connected directly or indirectly with money. Factors such as wages and salary, bonuses, profit-sharing, leave with pay, medical reimbursement, and the like are included under this type of motivation. Money is a means through which one can satisfy higher-order needs.

Frederick Taylor (1911), proposed an economic view of man over seven decades ago. He suggested that man is essentially motivated by economic reward and the industrial management should reckon with this point of view. He operationalised his philosophy in what has come to be known as scientific management. One major component of scientific management is its emphasis on how money can be used to maximise productivity. The practice of piece rate payment system is a direct outcome of such a thinking. With the advent of the human relations movement, the emphasis on money as a motivator is toned down to some extent. However, in the Indian context, money still seems to play a very significant role in influencing job satisfaction and productivity of an average Indian employee.

Non-economic motivators are not connected with monetary rewards. In the words of Dubin, “non-financial incentives are the psychic rewards, or the rewards of enhanced position, that can be secured in the work organisation.” Some of the most commonly used non-financial motivators are:

- (a) appraisal, praise and prestige; (b) status and pride; (c) competition; (d) delegation of authority;
- (e) participation; (f) job security; (g) job enlargement; (h) job rotation; (i) job loading; (j) job enrichment; and (k) quality of work life.

12.9 REWARDING SYSTEMS

One of the important attributes of work organisation is its ability to give rewards to their members. Pay, promotions, fringe benefits, and status symbols are perhaps the most important rewards. Because these rewards are important, the way they are distributed have a profound effect on the quality of work-life as well as on the effectiveness of organisations.

There are several principles for setting up an effective reward system in an organisation.

- Give value to the reward system. Employees must have a preference for the types of rewards being offered. Many employees prefer cash awards and plaques. Some employees like to see their name in the company newsletter. Others like the public recognition surrounding award ceremonies.
- Make the reward system simple to understand. Elaborate procedures for evaluating performance, filling out forms, and review by several levels of management lead to confusion. The system must be easy to understand if it is to be used effectively.
- Lay down performance standards within the control of the team.
- Make the reward system fair and effective.
- Ensure participation in the reward system.

Involve people in the change process and empower them to do the needful. Most organisations use several different types of rewards. The most common are wages or salary, incentive systems, benefits perquisites, and awards. For most people, the most important reward for work is the pay they receive. For one thing, an effectively planned and administered pay system can improve motivation and performance.

Examples of recognition and rewards include money, plaques, trophies, certificates or citations, public recognition, time off official perquisites, special assignments, parties or celebrations or other meaningful considerations.

Incentive systems are plans in which employees can earn additional compensation in return for certain types of performance. Examples of incentive programmes include piece work, gain-sharing, bonus, merit pay plans, profit sharing plans, and so on. Another major component of reward system is the employee benefits plan. These include payment for time not worked both on and off, the social security contributions, life and health insurance measures.

Perquisites are special privileges, rewarded to selected members of an organisation, usually senior managers. For years, the top executives of many businesses were allowed privileges such as air travels paid, vacations, a car and a driver, mobile phone, furnished accommodation and so on.

Money may not actually motivate people. Surprisingly, there is no clear evidence that increased earnings will necessarily lead to higher performance. A great deal of research has been done on what determines whether an individual will be satisfied with the rewards he or she receives from a situation. Five conclusions can be reached about what determines satisfaction with rewards.

First, satisfaction with a reward is a function of both how much is received and how much the individual feels should be received. When individuals receive less than they feel they should receive, they are dissatisfied. When they receive more than they feel they should, they tend to feel guilty and uncomfortable. These feelings are overcome by a change in the way an individual perceives the situation, for instance, by an increase in his perception of his own work.

Second, people's feelings of satisfaction are influenced by comparisons with what happens to others. These comparisons are made both inside and outside the organisations they work in, but they are usually made with similar people. Individuals tend to rate their inputs higher than others.

Third, in addition to obvious extrinsic rewards individuals receive (e.g., pay, promotion, status symbols), they also may experience internal feelings that are rewarding to them. These include feelings of competence, achievement, personal growth, and self-esteem. The overall job satisfaction of most people is determined both by how they feel about their intrinsic rewards and how they feel about their extrinsic rewards.

Fourth, people differ widely in the rewards they desire and in how important the different rewards are to them. Probably the most frequently and hotly debated topic in this area concerns how important the different rewards are to employees. One group says money is the most important, another says interesting work is. Both groups, of course, are able to find examples to support their point of view, since for some people money is most important while for others jobs content is the most important. People differ substantially and in meaningful ways in what is important to them.

Fifth, many extrinsic rewards are important and satisfying only because they lead to other rewards. There is nothing inherently variable about many of the things which people seek in organisations. They are important only because they lead to other things or because of their symbolic value.

Organisations typically rely on reward systems to do four things: (a) motivate employees to perform effectively, (b) motivate employees to join the organisation, (c) motivate employees to come to work, and (d) reinforce the organisational structure by indicating the position of different individuals in the organisation.

An effective reward system should link reward to performance. Workers who work harder and produce more or produce better quality results should receive greater rewards than poor performers. Also, criteria for receiving rewards should be clear and workers should know whether they will receive rewards for quality performance, innovation, effort or attendance. Management must ensure that workers perceive the distribution of rewards as equitable. Furthermore, for organisations to attract, motivate and retain qualified and competent employees, they must offer rewards comparable to their competitors.

12.10 HOW TO IMPROVE MOTIVATION?

It is very difficult to answer the question “What motivates people?” Many factors have been listed above. There may be several other factors, but probably the most important would be the need for satisfaction. Keeping this in view the following are suggested:

- Adequate and fair compensation.
- Safe and healthy working conditions.
- Security and growth opportunity.
- Opportunity to use and develop creativity.
- Respect for the individuals’ personal rights.
- Work and family life.

Table 12.1: What Motivates You

The following self-assessment questionnaire may help to illustrate the relative importance of different motivational factors. Rank each item below in order of importance to you. Compare your results with your colleagues. What do they imply?	
Pay	
Good colleagues	
Pleasant working environment	
Promotion prospects	
Fringe benefits	
Holidays	
Hours of work	
Sense of achievement	
Job challenge	
Variety	
Security	
Recognition	
Training	
Status	
Doing a worthwhile job	
Interesting work	

Activity 2

Supervisors of your organisation often complain that they are unable to really motivate their subordinates to high levels of performance because of organisational policies. To what extent do you believe that this position is legitimate in your organisation?

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12.11 SUMMARY

- The word motivation is derived from motive that is defined as an active form of desire, craving or need that must be satisfied.
- Motivation is getting people to do what you want them to do because they want to do it (Dwight D. Eisenhower).
- Motives can be primary and secondary.
- All motives are directed towards goals.
- Motivation in simple terms may be understood as the set of forces that cause people to behave in certain ways.
- Motivation is the consequence of an interaction between the individual and the situation.
- Some of the motivational sources are positive motivation, negative or fear motivation, extrinsic motivation and intrinsic motivation.
- Motivation can be positive that requires appreciating employee’s efforts resulting in better performance or it could be negative that induces fear and punishment for less efforts.
- The motivating process centres on needs, which produce motives that lead to the accomplishment of objectives.
- The content theories cover: (a) Maslow’s hierarchy of needs; (b) Alderfer’s ERG theory; (c) David McClelland’s achievement motivation theory; and (d) Frederick Herzberg’s two-factor theory.
- The content theories essentially focus on finding out what is it that motivates people at work.
- The process theories include: (a) Victor Vroom’s expectancy theory; (b) Porter-Lawler theory; (c) Equity theory; (d) Goal-setting theory; and (e) Attribution theory.
- The belief that a particular level of effort will be followed by a particular level of performance is called expectancy.

- According to the expectancy theory, *Motivation* is: $Expectancy \times Instrumentality \times Valance$
- Instrumentality is the perception by an individual that first-level outcomes are associated with second-level outcomes.
- Valance is an individual's preference for a second-level outcome; the fourth element in the expectancy model.
- Valance can have values ranging from negative to positive.
- Goal-setting theory is a relatively applied approach to motivation and is based upon the assumption that the type of goal as well as the degree of challenge in it would determine the degree of motivation in the individual to achieve such a goal.
- Though, no single theory is successful in bringing out all the complexities of motivation, all of them collectively help us in understanding the behaviour of employees.
- The MBO approach is a significant contribution to motivation process.
- The types of rewards that an organisation offers to its employees play a critical role in determining the level of motivation.
- In addition, rewards have an impact on the quality and quantity of personnel that the organisation is able to recruit, hire, and retain.
- Employees can be motivated, both as individuals and members of groups.
- Organisational rewards include both intrinsic and extrinsic rewards.
- The traditional theory is based on the assumption that money is a primary motivator – employees will produce more for greater financial gain.
- Usually, organisations go for a combination of monetary and non-monetary incentives.

12.12 SELF-ASSESSMENT QUESTIONS

- 1) What do you mean by motivation? Describe the theories on motivation.
- 2) Why motivation is a critical issue of interest to managers in organisations?
- 3) Compare and contrast Maslow's Theory of Hierarchy of Needs with Herzberg's Two-Factor Theory of Motivation.
- 4) Discuss the salient features of Herzberg's Motivation-Hygiene Theory and show its relevance to the Indian situation.
- 5) Evaluate the early and contemporary theories of motivation.
- 6) "Most people can be motivated with money." Discuss your views on this statement.

12.13 FURTHER READINGS

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