CHAPTER - IV

Studies in the role of Morale and Organisational Effectiveness:
A Review
The review of related literature unveils a few articles and books on this theme either by academicians or by the executives. Terms like 'Motivation' and 'Morale' have been used interchangeably in most of the studies, conducted on the subject both within as well as outside India. We have relied on well accepted concepts of motivation and morale which have already been discussed earlier.

The review discusses the subject matter under two heads:

(1) Studies on Morale

(2) Studies on organisational effectiveness.

After enactment of the Trade Union Act in 1926, Unions began their rapid expansion and greater interest regarding motivation and morale was developed. Managers learned more about the importance of employee's views, feelings and reactions from publicity on the pioneering human relations research at the Hawthorne plant of Western Electric Co. in the years before World War II (Elton Mayo, Roethlisberger and Dickson, 1929-32). In military force in the war morale becomes the subject of wide discussion and consequently, the morale of employees became a subject of wide discussion and of extensive study. Some managers viewed morale crucial and the key to productivity and success. Other managers were more critical who regarded emphasis on employees morale as over brought.

Some relevant morale studies:

Several studies have been conducted in India and outside India on morale and its relationship to many variables in organisational settings. Some of these studies are described as under:-
Gandrade (1954) thinks that morale surveys play a very important role in improving the employer-employee relationship. Moreover these surveys can provide information about how employees feel and react to their job situations and help in the formation of sound labour policies and thus improved morale may enhance the quality and quantity of production.

Mayer (1946) has summerised the data of some of the studies with different group of employees, regarding their attitude towards incentives in the work situation.

It is apparent from the table presented below that study work (security) is a highly important item for all groups, and opportunity for advancement is second in the hierarchy of relative importance of these factors. Good hours and easy work, on the other hand have been given relatively lesser importance.

The most striking disagreement probably occurs in relation to wages as a motivator. Several investigators have pointed out relative lesser importance of money as a motivating factor. As a matter of fact Brown goes on to state that of all the incentives known to man, money is the least important. However, quite opposite findings are also reported in the literature. In some instances wages stand at the very top of the list of morale determinants, and in others, it is given an intermediate position. It is a matter of thinking of the people, it may, however, be stated that any income which is fixed, settled and continues, cannot be motivator.
Table 4.1

<table>
<thead>
<tr>
<th>Incentive</th>
<th>Factory Workers</th>
<th>Departmental workers</th>
<th>Miscellaneous workers</th>
<th>Unionised workers</th>
<th>Nonunionised workers</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Steady work</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>1.0</td>
<td>1</td>
<td>1.4</td>
</tr>
<tr>
<td>Comfortable working conditions</td>
<td>2</td>
<td>8</td>
<td>8</td>
<td>3.5</td>
<td>5</td>
<td>5.3</td>
</tr>
<tr>
<td>Good working conditions</td>
<td>3</td>
<td>7</td>
<td>7</td>
<td>-</td>
<td>-</td>
<td>5.7</td>
</tr>
<tr>
<td>Good Boss</td>
<td>4</td>
<td>5</td>
<td>5</td>
<td>7.0</td>
<td>6</td>
<td>5.4</td>
</tr>
<tr>
<td>Opportunity for advancement</td>
<td>5</td>
<td>1</td>
<td>1</td>
<td>6.0</td>
<td>4</td>
<td>3.4</td>
</tr>
<tr>
<td>High pay</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>3.5</td>
<td>3</td>
<td>4.9</td>
</tr>
<tr>
<td>Opportunity to use ideas</td>
<td>7</td>
<td>3</td>
<td>3.5</td>
<td>10.0</td>
<td>10</td>
<td>6.7</td>
</tr>
<tr>
<td>Opportunity to learn a job</td>
<td>8</td>
<td>4</td>
<td>3.5</td>
<td>-</td>
<td>-</td>
<td>5.2</td>
</tr>
<tr>
<td>Good hours</td>
<td>9</td>
<td>9</td>
<td>9.0</td>
<td>8.0</td>
<td>8</td>
<td>8.6</td>
</tr>
<tr>
<td>Easy work</td>
<td>10</td>
<td>10</td>
<td>10.0</td>
<td>-</td>
<td>-</td>
<td>10.0</td>
</tr>
</tbody>
</table>


Watson (1948) designed a study of the morale of Americans during crisis of unemployment. It was attempted to find out those factors that enable some men to keep up their morale while others, facing same situation lost faith and courage. 538 cases of youth were studied on the basis of their enrolment with New York City Adjustment Services. He developed a life satisfaction Index by modifying and combining “Bernreuter Personality Inventory” and ‘Strong’s Vocational Interest
The author found that the correlation between life satisfaction and Hall's occupational morale were not significant. Thus he disagrees with those industrial psychologists who have indicated poor morale on the job largely due to personal maladjustment.

Gordon reports in his study that “the workers self estimated morale (job satisfaction) was almost only associated with need fulfillment”.

One of the most sophisticated studies carried out in the field of motivation was conducted by Herzberg (1957) and his colleagues at the Psychological Service of Pittsburgh. In his investigations, he points out the relationship between morale and age. According to him, morale is high in the ‘beginning phase’ when people start their jobs, it goes down during the next few years and remains at relatively low level. But when the workers are in their late twenties or early thirties, their morale begins to rise. This rise continues through out the remaining working career. This study is limited, however, to age factor only.

Ganguli (1958) studied the significance of group participation in improving morale. The control group consisted of 49 workers where as the experimental group involved 378 workers. These groups were not significantly different on several measures. The supervisors and the workers from the experimental group attended participation programmes. The present and past measurement of morale indicated significant improvement in attitude towards management, the national government & supervisors in the expermental group. Besides, there was an increase in production efficiency of experimental group in terms of increase in per capita output and decrease in per capita rejection rate. Explicitly, these improvements in morale and
productivity were not obtained in the control group. Ganguli further examines the significance of motivation and morale in improving productivity.

Other studies have indicated that production centered supervision may, under certain conditions, have more than just a short term advantage. Victor H. Vroom and Floyd J. Mann (1960) studied this problem in a large trucking company. They found one operation in which men worked primarily in small closely knit groups. This theory helps to explain why people vary so much in their reactions to employees centered supervision. Vroom has also uncovered the evidence that the effects of supervision may depend to a considerable extent on the personality of the individual worker.

Other investigations notably Schacher (1959), Shipley and Veroff (1952), Herzberg, Mausner and Snyderman (1959) have thrown light on the affiliation motive. Research by these men showed that the affiliation motive could exist because of the prevailing factors such as anxiety, possibility of interpersonal rejection etc. The affiliation motive is strongest in individual who have developed anxiety due to having been rejected or having the fear of being rejected. Affiliation in groups, therefore, tends to allay anxiety.

Singh, Wherry and Huang (1963) administered two types of morale scales to employees in a manufacturing enterprise and computed itemwise correlation, clusters and factor analysis. The descriptive scale which yielded seven factors was more differentiating than the evaluative scale. These attempts were made to correlate these factors with several criterion.

Elton Mayo (1964) observed that man's basic need is to remain with a group. This group affiliation fulfills a basic human need and motivates workers to better
performance. Mayo's ideas were supported by his famous 'Hawthorne study' conducted at the Western Electric Company in the 1920's. This study demonstrated that workers wanted to be treated as 'human beings' rather than 'units of production'.

Father of Management Frederick Winslow Taylor felt that man's basic motive is of economic nature only. Therefore, if a man is paid a sufficient compensation for his services, he would produce at his best level. But fallacy here is that all men are considered identical units in the production process (Marrin D Dunetee and Wayne K Krichner (1965).

Studies mentioned above have made emphasis on the fulfillment of basic needs which ultimately makes workers to work whole heartedly. Basic need according to Elton Mayo is the sense of belongingness with a group while F.W.Taylor feels that it is the financial element that matters. Basic needs of a person are food, clothing and shelter and the other needs mentioned above are secondary needs. So fulfillment of these two set of needs not only motivate the workers, but will give rise to a host of psycho-social needs.

Indian studies conducted by Ganguli actually are conducted with a view to job satisfaction while talking about morale. Ganguli (1964) has compiled results from three studies on Indian workers ranking on various job factors, that could contribute to the satisfaction of employees in their work. His results are presented in the following table.
Table: 4.2

Relative importance of Incentives for Rank and File workers

<table>
<thead>
<tr>
<th>Item</th>
<th>Machanists in Private engineering factory (N=348) (Data from Ganguli)</th>
<th>Foundry men in Govt. Engineering factory (N=120) (Data from Ganguli)</th>
<th>Miscellaneous workers (N=400) (Data from S.K. Bose)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adequate earnings</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Comfortable working condition</td>
<td>8</td>
<td>-</td>
<td>7</td>
</tr>
<tr>
<td>Suitable type of work</td>
<td>7</td>
<td>8</td>
<td>-</td>
</tr>
<tr>
<td>Good and sympathetic supervisor</td>
<td>5.5</td>
<td>7</td>
<td>4</td>
</tr>
<tr>
<td>Opportunity to learn a job</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Job security</td>
<td>2</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Adequate personal benefits (Canteen, medical aid, provident fund)</td>
<td>5.5</td>
<td>5</td>
<td>-</td>
</tr>
<tr>
<td>Opportunity for promotion</td>
<td>3.0</td>
<td>2</td>
<td>-</td>
</tr>
<tr>
<td>Job status and prestige</td>
<td>-</td>
<td>6</td>
<td>-</td>
</tr>
<tr>
<td>Good personal relations with colleagues</td>
<td>-</td>
<td>9</td>
<td>-</td>
</tr>
<tr>
<td>Prestige of Company</td>
<td>-</td>
<td>10</td>
<td>-</td>
</tr>
<tr>
<td>Free medical aid</td>
<td>-</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td>More leave with full pay</td>
<td>-</td>
<td>-</td>
<td>5</td>
</tr>
<tr>
<td>Clear instructions about job</td>
<td>-</td>
<td>-</td>
<td>9</td>
</tr>
<tr>
<td>Cheep ration</td>
<td>-</td>
<td>-</td>
<td>6</td>
</tr>
<tr>
<td>Regular working hours</td>
<td>-</td>
<td>-</td>
<td>10</td>
</tr>
<tr>
<td>Share of responsibility in work</td>
<td>-</td>
<td>-</td>
<td>8</td>
</tr>
</tbody>
</table>

Source: H.C. Ganguli, structure and process of organisation, Bombay: Asia Publishing House 1964, pp.89
It is evident from the table that Indian workers have consistently ranked adequate earnings at number one. Job security and opportunity for advancement are other factors which are ranked high by Indian workers, while such factors as working hours, relations with colleagues, job status etc. have been ranked low as motivators in the work situation. Incentive approach over stressed the economic aspects of job and seem to neglect other factors like inter-personal relations. These studies may be stated as good contribution to the literature on this subject, but their efficacy ought to be universal in different organisations operating in the country.

Bose (1965) examined the relationship of morale and productivity on a sample of sixty eight supervisors and four hundred workers selected from three industrial undertakings. The morale score was based on attitudinal measures in four areas. In this study, the intrinsic job satisfaction score could not differentiate between the efficient and inefficient work group which was positively related to productivity.

Above study had a serious limitation, that it could not differentiate between the satisfaction derived by inefficient employees on one hand and efficient employees on the other working in the organisation.

Fisher and Hanna (1969) have reported cases in which the personal maladjustment of the worker was directly related to occupational maladjustment. Similarly, Paterson and Darley have collected evidence of the relationship between personal maladjustment and occupational maladjustment. Blum has noted the significance of the relationship between job satisfaction and general satisfaction. He states that job satisfaction in part may be a function of general satisfaction or attitude towards life. Likewise, Brayfield and others have also found a positive correlation between general adjustment and job satisfaction, but only in case of men.
Kamla Chowdhary (An attitude survey) has analysed the impact of attitudes on working efficiency in textile mills in relation to production, turnover and absenteeism. Taking two mills, which were classified as high tension and low tension mills on the basis of workers attitude, it was found that the low tension mill was lower in absenteeism (9%) turnover (10.9%) and higher in efficiency (77.5%) as against the high tension mill with 10.5% absenteeism, 32.8% turnover and 73.4% efficiency rating. The study revealed that workers behaviour in two sections of same mill was greatly influenced by the nature of supervision.

A number of community wise surveys on job satisfaction have also been carried out. The earliest community wise study of job satisfaction was conducted by Hoppock in the town of New Hope, Pennsylvania in 1935. Study shows that out of 80% of 35 employed adults, sample of only 15% had negative attitude towards their job.

Where scientific management has been content to assume that man's most basic motives were economic, Mayo and his 'Human Relations School' made an equally over simplified assumption that group membership and affiliation were the most fundamental and essentially the only needs of any consequence.

Gellerman was of view that Mayo’s findings were distorted by other factors, which he did not take into account in his Hawthorne study. Gellerman claimed that some of other important needs could be security, intrinsic job interest and achievement.

Mayo’s work led directly to a notable series of studies which began shortly after World War II by the Institute for Social Research at the University of Michigan. These studies are considerably more sophisticated than Mayo's. Thus Michigan group came out of the prudential study with strong evidence that supervisory style affected
group motivation and vice-versa, and as a result of this interaction, the most effective style from the standpoint of production was more concerned with the employee's needs for attention and respect than with productivity itself.

Buzzard (1973) examined and discussed the factors associated with industrial stress, and claimed that increasing work stress lead to increasing illness. There is also evidence that stress contributes to poor work, unhappiness besides some degree illness.

Anand and Bajaj (1975) conducted morale survey in two large engineering enterprises with a sample of 168 employees selected on the basis of stratified random sampling method. The analysis of the result showed that the overall image of the company among the employees varied from good to very good in both the organisations and the participants in the two companies had a relatively high degree of job satisfaction. In one company, most of the employees were felt involved in their work. Their salaries were rated high. The employees considered their relationship with their superiors and subordinates as favourable, but the subordinates did not feel that same. Thus, periodic discussions with immediate bosses was viewed to be helpful in doing the work more effectively.

Dwivedi (1975 & 1976) in his studies, attempted to assess the employee's attitude towards job, co-workers, supervisors, company and other miscellaneous objects. These studies formed a part of the research project on organisational development in a leading press. A sample of 61 employees out of 409 were selected by proportionate stratified random sampling method. The respondents were interviewed with the aid of questionnaires consisting of fifteen sentence complete items, twenty five forced choice items and thirteen open ended items. The analysis of the study
revealed that employees had positive attitude toward the company, supervisors, superior officers and the job. Thus, there prevailed a high morale in the company. Besides, the study had several implications for the development of personality and skills of supervisors, adaptation of suggestion system, improvement of the image of superior officers, development of horizontal cooperation and maintenance of pride in work.

Minocha (1977) studied the morale of employees in the steel plants of Hindustan Steel Ltd. at Rourkela, Bhilai and Durgapur with the help of a questionnarire consisting of sixteen questions and examined its relationship with several behavioural variables. The analysis of results showed that the factors responsible for low morale were as :-

* Dissatisfaction with the terms and conditions of the job,
* Lower rates of emoluments as compared to the similar positions in the private sector steel plants,
* Incompetent supervisors,
* Lack of initiative in job situations,
* By-passing,
* Training not being related to promotion,
* Interview procedures, and
* Wrong placement after training.

The relationship between morale and different behavioural factors in the three plants have been presented in the following table:
### Relationship between morale and different behavioural variables

<table>
<thead>
<tr>
<th>Plants</th>
<th>Average Morale</th>
<th>Average labour productivity (Tonnes of steel in ingots)</th>
<th>Average labour cost in Rs.</th>
<th>Average rate of flight (in %)</th>
<th>Average rate of turnover (in %)</th>
<th>Average days lost due to disputes (per 1000 employee)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rourkela Steel plan</td>
<td>1.877</td>
<td>51.6</td>
<td>79.98</td>
<td>2.48</td>
<td>3.14</td>
<td>6.8</td>
</tr>
<tr>
<td>Bhilaii steel plant</td>
<td>1.933</td>
<td>64.7</td>
<td>63.64</td>
<td>0.76</td>
<td>1.38</td>
<td>11.2</td>
</tr>
<tr>
<td>Durgapur steel plant</td>
<td>1.568</td>
<td>53.7</td>
<td>63.94</td>
<td>2.73</td>
<td>3.79</td>
<td>26.4</td>
</tr>
</tbody>
</table>

| [r]    | .64  | -.50  | -.58  | -.66  | -.81  |

Adopted from Minocha, O.P. (Op. Cit)

This table shows that morale is positively related to productivity (r=0.64). In the Bhilaii Steel Plant employees revealed the highest morale (1.933) which was followed by the highest average productivity (64.7 tonnes of steel ingots). In addition, the Bhilaii Steel Plant had the lowest ‘labour cost’ (Rs. 63.64). In the three plants the correlation coefficient between average morale and average labour cost was found to be 0.50 which indicates that higher morale leads to lower labour cost. Moreover, the morale was found to be inversely related to the rate of flight (2.73%) in Durgapur Steel Plant. Where as in the Bhilaii Steel Plant the highest morale index (1.933) had the lowest rate of flight (.76%). This reveals that employees having low morale tend to seek the jobs outside the company. Further, the study revealed a negative relationship between the morale and employee turnover (r=0.66). Again low morale was considered to be a cause of industrial dispute. The co-efficient of correlation...
between morale and industrial disputes was found to be -0.81 which indicates inverse relationship between these measures. Explicitly, the lowest level of morale was found to be accompanied by the highest amount of loss in Durgapur Plant (Rs. 788.5 million) where as the highest level of morale in Bhilai Plant led to the lowest losses (Rs. 226.4 million) although, no attempt was made to correlate moral and profit. The study did not find significant relationship of morale with absenteeism and accidents in the three plants.

In another study conducted by Sinha and Nair, they not only studied the association of job satisfaction with personal background factors, but also tried to assess the impact of workers behaviour regarding their attendance on job, productivity and general adjustment. In this study, skilled workers were found to be significantly more satisfied and an interesting relationship was noticed regarding the length of their service and the level of morale. The workers who had joined the organisation newly or had put in long years of service were significantly more satisfied than those whose tenure had been medium. As regards earnings, though the results were not statistically significant, the middle income group seemed to be the least satisfied lot.

Studies on Organisational effectiveness

Following studies relating to organisational effectiveness have also been reviewed :-

Regarding organisational effectiveness, Georgoplous Tennebaum (1957) have empirically studied an organisation that specialised in the delivery of retail merchandise. According to them, the concept of effectiveness includes following three criteria viz.,
i) **Organisational productivity.**

ii) **Organisational flexibility in the form of successful adaptation to internal organisational changes and successful adaptation to externally induced changes.**

iii) **Absence of intra-organisational strain or tension and of conflicts between organisational sub-groups.**

The organisational structure included sub-systems called ‘stations’. The empirical findings of the study are that “effective stations were more productive, lower inter-group strain and conflicts and more flexible than non-effective stations”

Study made by Frindlander and Pickle (1964) was based on 97 firms. They attempted to define the criteria of organisational effectiveness to show the interdependent relationship of organisation with the environment. Their concept of effectiveness was determined by the degree to which the need of ‘components’ (of organisation) were fulfilled in the organisation. Their empirical work reveals that only in a few cases both societal and employees needs are fulfilled. Regarding other needs, organisations find it difficult to fulfill them simultaneously.

Edger Schein (1965) a notable social scientist, suggests that the maintenance of effectiveness, can be made possible through the adoptive copying cycle. In his words, “the sequence of activities----------------processes which begin with some change in some part of the internal or external environment and end with more adaptive, dynamic equilibrium for dealing with change”. Adoptive copying cycle has the following six steps :-

i) **Sensing a change in some parts of internal or external environment.**

ii) **Bringing in the relevant information about the change into those parts of the organisation which can act upon it.**
iii) Changing the production process inside the organisation according to information obtained.

iv) Stabilizing internal changes by reducing undesired products.

v) Exporting new services, products etc., that are more in line with the originally perceived changes in the environment.

vi) Obtaining feedback on the success of change through further sensing the state of external environment.

Schein, thus concludes that the effectiveness of an organisation is either maintained or lost depending on the sensing and use of feedback from the environment. In one study by Caplan, the use of four variables to measure effectiveness of an organisation is suggested. The variables are stability, integration, voluntarism and achievement.

Seashore and Yuchtman (1967) at Michigan University have identified ten effectiveness dimensions in their study of seventy five Insurance Agencies. These effectiveness dimensions are: business volume, production cost, new member productivity, youthfulness of members, business mix, work force growth, devotion to management, maintenance cost, member productivity and the market penetration. The research scholars assume that the interdependence between environment and an organisation takes the form of an input/output transaction which involves scarce resources. They label their theory as “a system resource approach to organisational effectiveness”. The resource in the environment are limited in supply and any attempt to acquire these resources leads to competition among organisations. They visualise the effectiveness of organisations in terms of the bargaining position that is attained between competing organisations. According to them, therefore, the key problem in assessment of effectiveness is the identification of competitive dimensions in inter-organisational transactions.
Organisational effectiveness can be assessed by the following steps:

i) Providing an inclusive classification of resources.

ii) Identifying different types of resources that are mutually relevant for the organisations under study.

James L. Price (1968) has reviewed and analysed fifty studies and thus developed a model comprising of dependent variable called 'effectiveness' and five intervening independent variables, namely, productivity, morale, confirmity, adaptiveness and institutionalization. Price supports a goal oriented approach and provides an inventory of propositions showing the determinants of organisational effectiveness which leads to the attainment of goal. In his model there are five systems i.e, economic systems, political system, control system, population system and ecology system or environmental system. These systems through intervening variables determine effectiveness. Figure given below depicts his model.

![Figure 4.4](image)


Price also provided a comprehensive list of propositions derived from the careful review of the Literature on organisational effectiveness. Some of these are:
i) Organisations which have high degree of division of labour are more likely to have a high degree of effectiveness.

ii) Organisations which have a high degree of vertical communications are more likely to have a high degree of effectiveness.

iii) Organisation which have a high degree of autonomy are more likely to have a high degree of effectiveness.

Approach of Price was essentially conceptual in nature. Conversely Mahoney and Weitzel (1969) have emphatically expanded the criterion of organisational effectiveness. According to these researchers, there are three sets of criteria in determining organisational effectiveness. The ultimate criterion is the achievement of final goal. The intermediate criterion and the midrange criterion are generally applied to the short run assessment of effectiveness. In the study their primary emphasis was on measurable midrange organisational criterion, which are used as short run substitutes for the more subjective long run criterion of organisational effectiveness.

Mahoney and Weitzel have developed models for two types of organisations i.e., general business organisation and research and development organisational units. They have identified twenty four variables that are useful in predicting effectiveness. The important variables in business organisations are productivity, support and utilization, planning, reality and initiation. The important variables for research and development are reliability, co-operation and development. The difference between these two models has been explained in terms of ultimate criterion. Business organisation has ultimate goals of profitability, productivity and efficiency while Research and Development goals are of professional competence and developmental nature.
Prasad, S.B. (1973) throws light on the three sub-systems to determine the degree of effectiveness in an organisation. These sub-systems are economic sub-system, technical sub-system and social sub-system. He concludes that to maintain the higher levels of effectiveness, an equilibrium of all levels of effectiveness of these three sub-systems should be achieved. But an organisation can be effective reasonably in either one or two systems without affecting its total effectiveness.
REFERENCES:


16. Kamla Chowdhary, "An attitude Survey - A Study Conducted on Industrial Workers in Ahmedabad".


