CHAPTER – I

INTRODUCTION

As we turn the first page of the new millennium, we witness a plethora of changes occurring in the world. Name anything, world politics, social values, business, technology, people etc they all are facing the heat of tough competition. Everything is getting affected by change and in turn also affecting this ‘cycle of change’. The world is changing more rapidly than ever before and managers and other employees throughout an organization need to perform at higher and higher levels. In the last twenty years, competition between organizations, both nationally and internationally, has increased dramatically. Managers need to develop more effective processes and strategies not only to compete but also to survive in turbulent work environments (Banerjee, 2012; Hamlin et al., 2011).

Managerial effectiveness is one such issue which has caught the attention of theorists as well as practitioners time and again to deal in competitive business environment (Samson and Daft, 2009). It is the seat of organizational excellence and the key issue in today’s customer -centric business world as it is fast becoming a competitive advantage for organisations, especially in the context of high demand and continuous migration of competent managers from one organisation to another. Echols (2007) asserted that 85% of the value creation is driven by tangible assets such as managers, leaders and not by the assets on the balance sheet. Organisations, therefore, have started investing in retaining competent managers and putting in place systems for developing new cadre of effective managers. Managerial effectiveness is a leader’s ability to achieve desired results. How well he applies his skills and abilities in guiding and directing others determines whether he can effectively meet those results. If he can, his achievements are poised to help the organization gain a competitive edge against rival organizations heading into the future (Juarez, 2014).

The position of a manager in the present day involves a lot of responsibility and stress (Nickols, 2008). Managers today are expected to produce results irrespective
of the fact whether the situation is in favour of them are not. Managers need to think of solutions for the various challenges that crop up every now and then. Challenges like limited budget, reassignment of staff, reorganization of units, withdrawal of finance, lack of availability of resources, government policies etc keep cropping up every now and then. Thereby, denoting how necessary it is to have the right kind of managers who will lead the company towards growth. Effectiveness of executives is very important for the success of an organization in the contemporary business arena (Bao, 2009). Thus, managerial effectiveness has emerged as a vital tactics among today’s business managers and entrepreneurs of the corporate organisations like Information Technology (IT), Banking, Telecom companies as these sectors form a major fraction of the corporate business in the Indian market as well as across the globe.

Organizations are confronted by continuous change ranging from products, services, processes, markets and technology. These changes require managers to respond with new ways of thinking and behaving (Pareek, 2009). The present research focuses on four attitudinal & behavioural aspects of Managerial effectiveness i.e. action orientation, self disclosure, receptivity to feedback and perceptiveness which are used as a basis to explore the managerial effectiveness of middle-line managers of Information technology sector. Action orientation encompasses ability to take risk, action and implement change and action oriented managers keep testing oneself in new situations; Self disclosing behaviours can be understood as free sharing of opinions, ideas, feelings, expressions and views with subordinates; Receptivity to feedback implies listening carefully and patiently to others and getting most out of the feedback by asking for clarifications, examples and suggestions; and Perceptiveness includes being aware of the moods, feelings and attitudes of other and it also reflects the ability to pick verbal and non verbal cues from others.

Organizations conducting business in the global environment are faced with significant competition. The search for competitive advantage has led to the recognition of innovation as a vital ingredient for survival and profitability in the ‘Information Age’. It is imperative to understand that innovation is not just releasing new products; it also encompasses implementing new business processes and fresh
ways of doing things (West & Farr, 2004). Developing business environments that enable innovative companies to flourish can contribute both to employment creation and economic growth (Du Plessis, 2007). Workplace innovation can take many forms, including employee empowerment schemes, knowledge management policies, teamwork models, continuous skills development and learning plans, flexible work organization arrangements, transparent communication practices, encouragement and nurturing of ideas at all levels of the organization. Managers help the organization understand its innovative capacity and its strategic need for innovation, and then inspire the organisation with a sense of strategic purpose. They create resource structures that nurture innovation. And every manager can be a skills coach to their executive team, demonstrating how to listen to new propositions attentively and with an open mind (Tajeddini, 2011).

The demands and expectations from the managers working in organizations have taken a 180 degree turn. Goleman (1998a) stated that, “the most effective leaders are alike in one crucial way; they all have a high degree of what has come to be known as emotional intelligence”. Emotional intelligence (EQ) is a different type of intelligence. It’s about being “heart smart,” not just “book smart.” It is the ability to identify, use, understand, and manage your emotions in positive and constructive ways. It's about recognizing your own emotional state and the emotional states of others. In the middle of the "Talent War", especially at the highest levels in organizations, emotional intelligence can give developing managers a competitive edge. Recent research has shown that Emotional Intelligence (EI) is critical to your effectiveness in the workplace (Goleman, 2011). It is increasingly relevant to organizational development and developing people, because EQ principles provide a new way to understand and assess people's behaviours, management styles, attitudes, interpersonal skills, and potential. Emotional Intelligence Quotient is an important consideration in all aspects of an organization: human resources planning, job profiling, recruitment interviewing and selection, management development, customer relations and customer service, etc.

Today the pace of change is so rapid, particular in high tech industries. Only organizations that can adapt to this fast changing environment can survive. The secret
to an organization being able to manage both change and continuity lies in the managers understanding and influencing the organizational climate to fit the strategic goals (Nair, 2006). Organizational climate is formed of sharing values, beliefs and behavioural norms in an organization (Ahmad et al 2012). It represents a global impression of one’s organization and personal impact of the work environment, which influences the manager’s work behaviours and job related attitudes (Pritchard & Karasick, 1973). It is generally the psychological feel of the environment of an organization within which the managers and employees do their work. Organizational climate is possibly the most critical factor determining an organization's capacity, effectiveness, performance and longevity (Ostroff et al, 2003). It also contributes significantly to the organization's brand image and brand promise. It creates energy and momentum. This energy will permeate the organization and create a new momentum for success.

Through an exploratory study, this present research aims to investigate the extent to which emotional intelligence (individual variable), innovation (individual cum organizational variable) and organizational climate (organizational variable) are related to the managerial effectiveness of IT middle-line managers. In the current business scenario, when organizations have equal access to all resources, most of them are relying on their people, especially those at the managerial level to meet the aspirations of the customer and citizens, as the only source of competitive advantage. The effectiveness and productivity of an organization today depends upon the skills and effectiveness of its managers. It has become imperative for all managers to upgrade their knowledge and skills and be effective in order to attain organizational as well as individual performance. Regardless of its increasing importance, the field of managerial effectiveness has been neglected as compared to other issues of management (Bamel et al., 2011). India being a rapidly growing economy largely depends upon its human capital and increasing attention is being directed in Indian organizations towards improving managerial effectiveness. This study contributes to ‘closing the gap’ in this deficit in the relative literature. Till now, these variables have not been taken up together specifically in Information Technology (IT) sector. It is expected that this present study would produce useful results for promoting
managerial effectiveness and will help improve the overall productivity and effectiveness in IT sector.

**KEY CONSTRUCTS**

In the present study managerial effectiveness, emotional intelligence, innovation and organizational climate are the key constructs being explored. Before probing into the review of literature it is essential to look at the conceptual framework of the key constructs to gain a better understanding of the same.

1.1 MANAGERIAL EFFECTIVENESS

Managerial Effectiveness is often defined in terms of output - what a manager achieves. This result oriented definition leads us to look for the factors that contribute towards the “results”. Three factors responsible for the results that an organisation achieves through its managers are: (a) the efforts and ability of the managers, (b) the environment in which the managers and the organisation operates, and (c) the efforts and ability of the subordinates. Thus, the managers’ ability is the key element in achieving the desired results. Managerial effectiveness is very important for the survival and growth of the organization in the contemporary business arena specially in the case of increasing competition for resources. It is a minimum condition for survival after success has been achieved (Banerjee, 2012; Srivastava and Sinha, 2007). Managers must possess a vision that centres on high performance values, growing market share and maintaining a competitive advantage in an era of globalization (Govender & Parumasur, 2010).

1.1.1 Conceptualization of Managerial Effectiveness

Managerial effectiveness has been defined differently over the past decades, by different authors; each gave a different definition in their works, some of which are presented below:

Srinivasan (1976) stated that the most important element in Managerial effectiveness is the man himself, his leadership qualities and his commitment to
effectiveness. What he is, what he thinks, feels and does, will decide the degree to which his section or department can be effective.

Broide and Bennett (1979) defined managerial effectiveness as, “results and consequences, bringing about effects, in relation to purpose, and giving validity to particular activities”.

Margerison (1981) defined managerial effectiveness as one when a manager behaves appropriately in tune with the situation.

Mohan (1985) defined effectiveness in terms of results or consequences, bringing about effects in relation to purpose and giving validity to particular activities.

Garg & Handa (1992) defined managerial effectiveness as the “extent to which the manager achieves results, not just performs tasks and the extent to which he goes beyond what is normally required of him”.

Hersey and Blanchard (1988) contended that effectiveness results from a combination of personal attributes and dimensions of the manager’s job in meeting demands of the situation and satisfying requirements of organization.

Mullins (1995) called managerial effectiveness as the doing the right things, attainment of objectives, increasing profitability and optimizing use of resources.

Gupta (1996) defined managerial effectiveness as the "ability of a manager to carry out the activities required of his position while achieving the results both current and in terms of developing further potential".

Pareek (2002) explained four important aspects related to the attitudes and behaviours of effective managers namely action orientation, self disclosure, receptivity to feedback and perceptiveness.

Sayeed (2002) defined managerial effectiveness as a function of behavior as well as technical/ management process. While individual provides his services to the organization through intrinsic abilities and competence, the organization on the other hand provides constraints and facilities.
Certo (2006) defined managerial effectiveness as the management’s uses of organisational resources and the meetings of the organisational goals.

McCrimmon (2007) stated that managerial effectiveness entails efficiency, which means getting things done with minimal cost. This means performance management but not treating people like machines.

Metts (2007) stated that effectiveness could be assessed by focusing on what managers do (focusing on behaviour and action of managers), and what managers achieve (focusing on performance results of managers).

Drucker (1967 cited in Analoui et al., 2010) defined effectiveness as a set of skills required to get the right things done and he considered managerial effectiveness to be a function of a manager’s competences including: time management, result-orientation, building on strength, concentrating on a few major areas and making effective decisions.

Wang (2011) defined an effective manager is one who is perceived as being supportive, caring, fair, engaging, self-disciplined, unselfish, responsible, and knowledgeable.

Rana et al., (2011) stated that managers are said to be effective if they use and manage their resources in different and difficult situations appropriately and select the correct approaches to achieve the goals of their jobs.

Robbins and Coutler (2012) defined effectiveness in terms of ends, results, consequences or attainment of organizational goals

**Common themes in the conception of Managerial Effectiveness:**

An attempt has been made to pull together common themes from various conceptualizations of managerial effectiveness given by numerous researchers, which are pinpointed below:

According to one set of researchers i.e. Drucker(1967), Srinivasan(1976), Boyatzis(1982), Gupta(1996), Wang(2011) - Effectiveness is concerned with the
managerial qualities and set of skills to carry out managerial function, activities required of his position. As per Certo(2006), Metts(2007), Rana et al.(2011) & Buter (2012) - Managerial effectiveness occurs when a manager’s effort results in the ongoing satisfying of organizational goals. Also, many writers defined managerial effectiveness as the extent to which the stated goals of an organization are achieved (Hatten, 2012; Certo and Certo, 2012; Abdul-Azeem and Fatima, 2012). Lastly, another stream of researchers Broide & Bennett(1979), Garg & Handa(1992), Robbins & Coulter(2012) proposed that the effectiveness of a manager should be defined by what results and consequences a manager achieves or attains and the extent to which he goes beyond what is normally required of him.

1.1.2 Difference Between Efficiency and Effectiveness

Efficiency concerns the relationship between input and output. In other words, achieving high levels of output from the given input and minimize the cost of the resources needed to achieve goals (Analoui et al., 2010; Abdul-Azeem and Fatima, 2012). Consequently, efficiency refers to the amount of resources used to achieve the organization’s goals (Daft, 2007). Efficiency can be calculated as the amount of resources used to produce a product or service. Therefore, the more resources wasted or unused during the production process, the more inefficient is the manager (Certo and Certo, 2012; Daft and Marcic, 2009). Effectiveness is a broader term, meaning the degree to which an organization achieves its goals. Efficiency is a more limited concept that concerns with internal workings of the organization (Daft, 2007). David (2011) claims that effectiveness is more important than efficiency. But in fact, it is necessary that a manager be both effective and efficient in his job. Thus, both effectiveness and efficiency are essential to maximize organizational success (Hatten, 2012; Robbins and Coulter, 2012; Certo and Certo, 2012). Briefly, In order for managers to succeed, high efficiency and high effectiveness must go side by side. By itself, neither efficiency nor effectiveness is enough to ensure success. Resources must be used in an efficient and effective way in order to achieve the organizational goals.
1.1.3 Framework of Managerial Effectiveness

The concept of managerial effectiveness is one of the priority areas which differs from organization to organization and even from job to job. So, it is imperative to know which factor, under which circumstances, enables a manager to be effective and successful in his work. The skill and effectiveness of the managers play an important role in the smooth operation of an organization. Managerial effectiveness is the function of mainly three variables, namely the manager, the organization and the environment, i.e.:

- The Manager: To a great extent, the effectiveness of an executive depends upon his own personality and style. Personality traits of the executive determine his competence in dealing with problems. Style (the behavioral pattern) of the manager in dealing with people is an important variable governing success.

- The Organization: The value system, culture and goals of the organization serve as the framework within which an individual manager has to operate. Empirical studies have revealed that an executive who joins an organization ultimately adopts the work culture and commitment prevailing in his organization.

- The Environment: Nowadays, environment has become a key variable in managerial success. To some extent, an organization and its executives can influence the environment to make it conducive to managerial effectiveness.

1.1.4 Factors Affecting Managerial Effectiveness

Many writers have conducted managerial behavior studies to identify the significant factors for the effectiveness of the managers. Managerial effectiveness has been measured by experts in several different ways at different times. Many researchers, such as Pareek, Analoui, Hamlin, Bamel and others sought to find universal criteria of managerial effectiveness by conducting cross-case and cross-nation studies.
Factors affecting managerial effectiveness has been studied with three perspectives:

- Traditional/Conventional perspective,
- Organizational level competency based perspective, and
- Individual level competency based perspective.

The traditional model emphasizes the ability to set and achieve goals where it is implicitly assumed that managerial effectiveness leads to organizational effectiveness (Bartol & Martin, 1991). The organizational competency based approach explains that internal and external factors have a strong influence on the long term future orientation of the organization. This approach implies that an organization's mission, vision, and strategic plan play a vital role in achieving future goals. Thus, the organization tries to create the system and environment with the help of skills and characteristics of managers that lead them to achieve strategic goals. The individual competency based approach to managerial effectiveness focuses upon the individual rather than the organization. The purpose of this approach is to develop management skills and tactics that are applicable across different contexts and situations. These skills and tactics can be learned, practiced, trained, and attained (Bamel et al., 2011; Rana et al. 2011; Rastogi and Dave, 2004; Srivastava and Sinha, 2007).

Pareek (2002) identified four attitudes and behaviors of a manager to be considered which are described below. Action orientation means setting a direction and a course of action to reach organizational goals and objectives that minimizes potentially negative outcomes. Also, it includes implementing cognitions, emotions and behaviour in order to complete specific business goals. Self-disclosure means sharing one’s ideas, feelings, experience, impressions, perceptions and other relevant personal information. It leads to mutual trust and thus enhances personal effectiveness. Sometimes it is misunderstood as revealing everything about oneself with everyone. It can be characterized as effective, if what is being made known is relevant and appropriate. Receptivity to feedback is a reaction that we receive from others regarding our attitudes, behaviour and performance. It includes listening
carefully to the person offering feedback, not to become defensive, getting most out of the feedback by asking for clarification, examples and suggestions and recognizing valid points even if you don’t agree with the other person’s interpretations. Perceptiveness is being sensitive to and insightful about other people. It is the ability to pick up verbal and non-verbal cues from others. Perceptive behaviour leads to being more aware and considerate of others. When you are perceptive of the moods, feelings and attitudes of other people and show it, they feel understood.

There are numerous studies which dealt with the issue of managerial effectiveness studies, for instance, Drucker (2006 cited in Analoui et al. 2010) claimed that effective managers have eight common practices. They:

- Recognize what needs to be done.
- Understand the nature of the enterprise.
- Develop action plans.
- Take responsibility for decisions.
- Take responsibility for communicating.
- Focused on opportunities rather than problems.
- Run productive meetings.
- Think and say “we” rather than “I”.

Wang (2011) revealed that a manager is characterized effective when he/she:

- Cares about employees.
- Leads by example.
- Does not act selfishly.
- Is accountable for mistakes.
- Focuses on performance instead of personal relationship.
- Involves employees in decision making and conflict resolution.
- Keeps open communication with employees.
- Treats employees fairly and equally.
- Provides job coaching to employees.
- Empowers and delegates employees.
- Provides education and training opportunities to employees.
- Socializes with employees in the non-work setting.
- Demonstrates knowledge and strong leadership skills.
- Provides positive reinforcement to employees.

*Bamel et al. (2011)* conducted a study to explore the dimensions of managerial effectiveness of Indian managers at senior, middle, and junior level. Results highlighted that Indian managers perceive effectiveness as a function of productivity, adaptability, and quality and flexibility. Indian Managers perceived productivity as the most important constituent of effectiveness, followed by adaptability, quality and flexibility.

*Abdul–Azeem and Fatima (2012)* conducted a study to identify the factors that favour managerial effectiveness in public and private sector organizations. The most important factors of managerial effectiveness in the private sector are:

- **PIONEERING MANAGEMENT**
  
  Generation of surplus (Profitability)
  
  Autonomy
  
  Personnel policies and practices
  
  Participative management

- **IMAGE BUILDING**
  
  Reputation and public image of organization
  
  Rate of accidents
  
  Style of leadership
Human relations

- CORRECTIVE AND INNOVATIVE MANAGEMENT

Training and education
Planning
Creativity and innovation
Delegation of authority and responsibility

- WELFARE MANAGEMENT

Job satisfaction among employees
Discipline
Working conditions
Grievance redressal procedure

- HIGH EMPLOYEE COMMITMENT

Morale and team work
Objectivity and rationality in decision making

- EMPLOYEE CENTERED LEADERSHIP

Sense of belongingness among the employees
Decentralization
Community development activities.

- EMPLOYEE SECURITY AND WELFARE

Change in organizational setup
Welfare programs for employees
Safety and health measures
Hamlin et al. (2012) conducted a multiple cross-case and cross-nation comparative study to search for evidence of universalistic behavioral criteria of managerial and leadership effectiveness. The study has implemented within seven various organizations in Canada, China, Egypt, Germany, Mexico, Romania, and the United Kingdom. The result of the study has claimed that managers within different types of organizations, organizational sectors and national contexts perceive the behavioral determinants of effective and ineffective managerial performance in much the same way. Further analysis led to the emergence of a "universalistic taxonomy of perceived managerial and leadership effectiveness" constructed of eight effective and six ineffective generic behavioral criteria. According to the universalistic taxonomy, managers are perceived managerially effective when they:

- Plan ahead, organize, monitor, and proactively control performance.
- Support their staff actively.
- Delegate well and empower their staff.
- Show care and concern for other people.
- Address the training and development needs of their staff.
- Adopt an open and personal approach.
- Involve employees in planning, decision making and problem solving.
- Communicate with staff regularly and keep them informed.

Conversely, managers are likely to be perceived least effective when they:
Pursue Inappropriate autocratic, dictatorial, and non-consultative managerial approach.

Conduct Unfair, inconsiderate, inconsistent, selfish behavior.

Active intimidating or undermining behavior.

Ignoring problems, decelerate in decision making, and abdicate from responsibilities.

Deprive and/or withhold behavior.

Exhibit parochial behavior, and a negative approach.

1.1.5 Models of Managerial Effectiveness

Theorists have postulated different aspects that go in to decide the effectiveness of a manager in an organization. Some of them are discussed below:

1.1.5.1 Reddin’s S 3-Dimensional Model of Effectiveness

The research in work context categorize two types of managerial styles i.e. task output or task orientation (scientific management movement) and a concern for people i.e. relationship orientation (human relation movement). Reddin (1970) incorporated an additional third dimension of effectiveness in his theory. Effectiveness depends upon the requirements of a situation. If situational requirements and managerial styles are in line with each other, one becomes more “effective whereas if they contradict each other they become ineffective”.

Reddin (1970) gave four basic styles which may be more or less effective depending upon the particular situation in which they are used. Effectiveness results from the styles’ appropriateness to the situation in which it is used. Effective and less effective styles are pictorially presented in figure -1. The four effective styles are:

Bureaucratic Style: The bureaucratic executive follows orders, rules and procedures. He maintains a mask of interest. He uses a low task orientation and
relationship orientation in a situation where such behavior is appropriate and is therefore more effective.

Developer Style: The developer executive listens, is supportive and cooperative, trusting and work well with others. He provides a conducive work atmosphere and uses high relationship and low task orientation in a situation where such behavior is appropriate and is, therefore, more effective.

Benevolent Style: The benevolent autocratic executive is decisive, committed and obtains results. He places implicit trust in himself and is concerned with both the immediate and a low relationship orientation in a situation where such behavior is appropriate and is, therefore, more effective.

Executive Style: The executive style is concerned with the using team work in decision making, commitment to objectives; encourages higher performance and coordinates other in work. He is perceived as a good motivating force that sets high standards and treats everyone somewhat differently. This executive uses a high task orientation in a situation where such behavior is appropriate and is, therefore, more effective.

The four less effective aspects of the basic managerial styles given by Reddin are summarized as following:

Deserter Style: An executive with this style uses low task orientation and low relationship orientation in situation where such behavior is in appropriate and is, therefore, less effective, passive and negative.

Missionary Style: A missionary executive uses high relationship orientation and low task orientation in a situation where such behavior is inappropriate and is therefore less effective.

Autocrat Style: An autocrat executive is critical and threatening and uses high task orientation and a low relationship orientation in a situation where such behavior is inappropriate and is, therefore, less effective.
Compromiser Style: A compromiser executive is basically weak and uses high task orientation and high relationship orientation in a situation that requires a high orientation to only one or neither and is therefore less effective.

Figure 1
Managerial Styles

1.1.5.2 Boyatzis Contingency Model of Managerial Effectiveness

Boyatzis (1982) developed a contingency model of Managerial effectiveness which postulated that the degree of overlap or “best fit” between the individual, his job demands and the organizational environment would predict effectiveness (Figure 2). This means that if any one or two of those components are inconsistent and do not correspond with each other, then ineffective behavior or inaction will result.

According to this model an individual’s competencies represent capability that the individual brings to the job situation as required by the responsibilities of the job. These job requirements can be considered the job demands on an individual. Competencies are certain characteristics or abilities of an individual that enable them to demonstrate appropriate specific actions. Effective job performance is the attainment of specific results or outcomes required by the job through those specific actions while maintaining or being consistent with policies, procedures and conditions
of the organizational environment. In summary, the job demands component reveals primarily what an individual is capable of doing; and reveals why they may act in certain ways (Boyatzis, 1982). Aspects of the organizational environment that are predicted to have important impact on the demonstration of competencies and/or the design of the jobs and roles include: culture and climate; structure and systems; maturity of the industry and strategic positioning within it; and aspects of the economic, political, social, environmental, and religious milieu surrounding the organization.

Figure 2
Contingency theory of action and job performance

![Contingency Theory of Action and Job Performance](source: Consortium for research on emotional intelligence)

1.1.5.3 Hay McBer’s Competencies of Managerial Effectiveness

Hay McBer (1997) proposed seven types of managerial competencies which are found to be most critical for effective managers.
- Achievement Orientation: Thinking about, meeting and surpassing goals and taking calculated risks for measured gains.

- Developing Others: Working to develop the long term characteristics of others.

- Directiveness: Setting firm standards for behavior and holding people accountable to them.

- Impact and Influence: Use of deliberate influence strategies or tactics.

- Interpersonal Understanding: Awareness of what others are feeling and thinking but not saying. Increasing complexity and depth of understanding of others and cross-cultural sensitivity.

- Organizational Awareness: Sensitivity to the realities of organizational politics and structure. The ability to learn and understand the power relationships in one’s own organization or in other organizations.

- Team Leadership: Ability to lead groups of people to work effectively together.

### 1.1.5.4 Ivancevich and Matteson’s View on Managerial Skills

Ivancevich and Matteson (1999) suggest that managers must possess and seek to further develop many critical skills. Ivancevich and Matteson (1999) present seven categories of management skills that they regard as important in performance of managerial roles:

- **Technical Skills**

  Technical skill is the ability to use specific knowledge, techniques, and resources in performing work. These skills are most important for first line managers: they assist managers in managing individual performance and instructing subordinates (Ivancevich and Matteson). Middle managers too, need these skills - to a lesser extent – to carry out the activities of supervising first-line managers or staff departments.
Analytical Skills

According to Ivancevich and Matteson, this skill involves using scientific approaches or techniques to solve management problems. Furthermore, they contend that, since solving problems is one of the key tasks of managers, these skills are imperative for managerial success; they enhance a manager’s ability to identify key factors and understand how they interrelate and the roles they play in a situation.

Decision- making Skills

Decision-making relates to selection of a particular course of action (Ivancevich and Matteson). In addition, a manager’s decision making skill in selecting a course of action is greatly influenced by his or her analytical skill. Thus, decision-making is a corollary to problem analysis.

Computer Skills

Computer abilities are important to managers because they increase their productivity by enhancing the quality of decision-making. The computer is an especially helpful tool for manipulating the data and performing “what if?” scenarios through the use of software packages.

Human Relations Skills

These skills relate to one’s ability to communicate with, and understand others in his or her work group, as well as with other work groups within the organisation. Ivancevich and Matteson (1999) argue that, human relation skills are essential at every organisational level of management, since managers at all levels must accomplish much of the work through other people.

Communication Skills

Communication skills involve the ability to communicate in ways that other people understand, and to seek and use feedback from employees to ensure that one is understood. Ivancevich and Matteson (1999) propose that, this is a skill that is critical to success in every field, but crucial to managers who must achieve results through the efforts of others. Since communication can be effected in different forms – such
as, written and oral transmission of common understanding – a manager needs to hone his or her skills in this area, in order to be effective in managerial performance.

❖ Conceptual Skills

Ivancevich and Matteson (1999) suggest that, conceptual skills consist of the ability to see the big picture, the complexities of the overall organisation, and how the various parts fit together. Thus, managers need these skills in order to comprehend how each part of the organisation interrelates and contributes to the overall objectives of the organisation. Furthermore, these skills enable managers to process tremendous amount of information about both the internal and external environment of the organisation and to determine the implications of that information.

1.1.5.5 Stephen Covey’s Model of Effectiveness

Covey (1999) had identified seven habits of highly effective managers as shown in figure -3 to identify unique human capabilities or endowment associated with each habit. The primary human endowments are:

➢ Self awareness or self knowledge
➢ Imagination and conscience
➢ Volition or will power.

The secondary endowments are:

➢ An abundance mentality
➢ Courage and consideration
➢ Creativity
➢ Self renewal; it renews the process of growth and development.

All these endowments are on a continuum of low to high levels. Association of each endowment with the seven habits is elaborated as following.

Habit 1: is *Be Proactive- the principle of self awareness, personal vision and responsibility*. It is the endowment of self knowledge or self awareness. It is the
ability to choose your response. At the low end of the continuum are the people who transfer responsibility by blaming other people, events or environment. At the upper end of the continuum are people who work towards increasing effectiveness in self awareness. They have the power to choose response to any condition and are responsible. Their principle is “I am response- able”.

Habit 2: is to begin with the end in mind, the principle of leadership and mission, which is the endowment of imagination and conscience. At the low end of the continuum is the sense of futility about goals, purposes and improvements efforts. At the end of the continuum is the sense of hope and purpose.

Habit 3: is to put first things first, the principle of managing time and priorities around roles and goals, the endowment of will power. At the low end of the continuum is the ineffective individual, avoiding responsibility exercising little initiative and will power while at the top end, is highly disciplined life that focuses heavily on the highly important activities of life.

**Figure 3**

Covey’s model of effectiveness

Habit 4: is to think win-win, the principle of seeking mutual benefit, which is the endowment of abundance mentality. On the continuum, an individual go from a scarcity to an abundance mentality through feelings of intrinsic self-worth and a benevolent desire for mutual benefit.

Habit 5: is to seek first to understand, then to be understood, the principle of empathetic communication, which is associated with the courage balanced with consideration. On the continuum, you go from fight and flight instincts to a mature two-way communication.

Habit 6: of Synergy is the principle of creative cooperation, which is associated with the endowment of creativity- the creation of something. An individual moves on the continuum from defensive communication to compromise transactions to synergistic and creative alternatives and transformations.

Habit 7: is sharpen the saw, based on the principle of continuous improvement, which is associated with the unique endowment of continuous improvement or self renewal to overcome entropy. An individual moves on the continuum from entropy to continuous improvement, innovation and refinement.

1.1.5.6 Leslie’s Model of Effectiveness

According to Leslie et al. (2002) a manager is effective when the 5 components of managerial effectiveness are achieved i.e.:

- Managing and Leading (ML)

  The extent to which the managers represents traditional leadership behaviors of setting direction, inspiring and motivating. Furthermore, the component included items that reference an internal focus and traditional manager-to-direct report activities, such as selection, development, coaching, and managing conflict.

- Interpersonal Relationships (IR)

  The extent to which managers represented relationships with peers and senior managers inside the organization, if professional relationships are important in the country and whether the managers see themselves as team players or individuals.
Knowledge and Initiative (KI)

The extent to which the managers combined the characteristics of broad knowledge compared to other managers and professional competence with the personal attributes of confidence, risk taking, independence, and initiative.

Success Orientation (SO)

The extent to which the managers represented an orientation toward goal achievement and attainment of desired organizational outcomes. Furthermore it represented the managers reaction on setbacks and SO also included an item related to the managers potential to reach the most senior position in the company.

Contextually Adept (CA)

The extent to which the managers were able to judge characters correctly and how the managers used employees from different cultures. Furthermore, CA had an external focus and included the ability to manage external relationships.

1.1.5.7 Hamlin’s ‘Generic Framework’ of Managerial Effectiveness

Hamlin’s (2007c) offered the ‘Generic Framework’ of Managerial Effectiveness and provided the following positive behavioral criteria’s that an effective manager executes in order to attain his company’s objectives and contribute to the success of the organization.

Effective planning/organization and proactive execution/control

Respects, values and makes good use of individual strengths. Identifies the right people, at the right time for the right tasks. Focuses on positives and provides clear, sensitive and constructive feedback when addressing performance issues. Addresses individual performance issues at the time, and in an ‘adult to adult’ way. Plans meetings in advance, taking responsibility for structure, direction and focus, sets agendas and records action points. Maintains meeting agendas whilst creating a climate for everyone to feel able and comfortable contribute by encouraging participation. Creates a sense of identity and common purpose for a team, identifying priorities and tasks and clarifying what is expected; Demonstrates attention to detail
and diligence. Reflects when something goes wrong and makes use of what they have learned. Keeps calm when faced with potentially stressful situations, assessing the facts and potential outcomes before acting. Sets, explains and clarifies standards, boundaries and responsibilities, and gives clear and concise directions to staff. Helps others clarify the outcomes they want by setting challenging goals/objectives that are realistic and achievable. Does what they say they are going to do. Proactively monitors and immediately responds to shortfalls in performance standards, questioning and challenging in a positive ‘adult-to-adult’ way before taking action.

- **Active supportive management and managerial leadership**
  
  Gives personal praise, acknowledges achievements, good work, commitment, ideas and success. Says ‘thank you’ and recognizes performance in a personalized way. Responds positively to requests for resources (e.g. people, budget, equipment) and allocates resources appropriately. Demonstrates they are happy to help, offering support and encouragement and responding quickly to requests for help. Helps others to prioritize and manage tasks by breaking them down into chunks/component parts.

- **Delegation and empowerment**
  
  Empowers staff to make their own decisions and effectively delegates tasks and responsibilities. Acts as a ‘sounding board’, helping others problem solve and make their own decisions by listening, questioning and exploring options. Supports and backs up team members’ decisions and judgment.

- **Genuine care and concern for staff/people**
  
  Shows genuine care and concern for others. Listens to customer complaints and staff issues, takes them seriously and deals with them in a positive ‘adult to adult’ way.

- **Fights for the interests of their staff**
  
  Responds positively to requests for resources (e.g. people, budget, equipment) and allocates resources appropriately. Builds and cultivates positive external relationships for the benefit of Anchor customers and staff.
actively addresses the learning and development needs of staff

Encourages and supports team members’ personal development and career opportunities.

Open, personal and trusting management approach

Greets and interacts with others in an approachable, warm and welcoming manner. Speaks to people individually, showing a genuine interest by using names and personal anecdotes. Asks probing questions in a friendly, non aggressive way.

Involves and includes staff in planning, decision making and problem solving

Consults, includes and involves others in decision making, listens to ideas and is open to other people’s views. Maintains meeting agendas whilst creating a climate for everyone to feel able and comfortable contribute by encouraging participation.

Communicates and consults well with staff and keeps them informed

Consults, includes and involves others in decision making, listens to ideas and is open to other people’s views. Expresses complicated, specialist knowledge in simple terms, avoiding jargon or excluding language. Forwards important, appropriate and relevant information to team members promptly. Creates a ‘vision’ of the ‘bigger picture’ and explains what is required, why, and checks understanding. Shares broad and detailed knowledge with others openly. Receives feedback positively, accepts support and takes responsibility for their own growth and development.

1.1.5.8 Managerial Effectiveness Model (Human Resource Management)

The model (Human Resource Management, 2009) defines both what an effective manager does, and what he/she achieves. It takes into account factors that have an impact on effectiveness, including the external environment in which a manager operates, his/her personality, culture and experience as shown in figure -4. Effective managers manage people, action and change, and navigate across organizational boundaries in order to achieve organizational, work unit and individual results.
These three sets of competencies are fundamental to managerial effectiveness.

- Emotional competence may account for as much as 75% of a manager’s effectiveness. It implies managing oneself and one’s relationships with others. Emotionally competent managers are self-aware, managing their own emotions and the impact they have on others. They create a positive, energetic work environment, in which they and the people they work with are inspired to contribute their best efforts.

- Conceptual competence is essential for managers to develop perspective on what is happening around them and on where they want to go. It allows them to discern patterns of action, emerging trends and how to respond to them. Conceptual competence is a fundamental requirement for creating a context for change.

- Technical competence ensures that managers apply their substantive/technical knowledge in ways which benefit their work group and the organization as a whole. It implies sharing their knowledge and building knowledge networks, as well as developing themselves and others.

*Figure 4*

Competencies required for Managerial effectiveness
1.1.6 Implications of Managerial Effectiveness

With an increasing ‘cut throat’ competition and dynamic business environment around the globe organizations require a team of managers to run the day to day operations (Boyatzis 1982). Managers play a significant role in the development, formulation, and execution of the organization’s long term as well as short term strategies that determine corporate success (Al-Madhouni & Analoui 2004). Indeed, managers are dynamic and the life giving elements in every business and without them the resources cannot be converted into high production (Drucker 1967). With increased dependency of business on information technology, managers are required to sort out new ways to facilitate organizational production and sustainable self growth. What differentiates surviving organizations from others (Sinclair-Hunt & Simms 2005), that have not been able to tackle ‘tough times’, is the performance and effectiveness of its executive. Consequently, management may be viewed as a special kind of leadership in which the achievement of the organizational goal is vital and managers strive to operate in a situation with optimum performance outcomes. The performance of a manager and how effectively he/she would operate a situation is related to many variables from an individual to an organizational dimension (Hamlin and Serventi 2008, Bao 2009).

The role of the manager has never been as important or demanding as it is today. Managers at all levels must deliver consistent, sustainable results in leaner organizations and get things done day to day with fewer resources. There is an increased emphasis on maintaining employee morale and high levels of productivity in an increasingly complex and changing business environment. And managers must ensure that the right people with the right skills are in the right roles. Growing an effective manager is not something an organization does on the spur of the moment expecting results overnight. It takes time. It takes commitment and determination. It takes a strategy. It requires a solid foundation with proper planning, use of the organizational culture, proper training methods and individuals with the right stuff, potential, and wanting to excel in world-class leadership.
1.2 INNOVATION

Over the past few years, innovation in India as a corporate theme has constantly gained importance, becoming a prerequisite for long-term success, or maybe even survival due to the discontinuous pace of change of the environment. The knowledge and skills that managers require to lead the winning organization have changed dramatically. It requires the ability to learn, to adapt, to look freshly at the situation and not be entrapped by old models, constructs or paradigms. Now more than ever, managers need to be able to develop flexible and innovative work strategies that can rapidly respond to the volatility of world markets (West & Farr, 2004). There are a number of different efforts that fall under the innovation umbrella, from the creation of entirely new businesses to the development of new products, services, to the application of new improvements to existing operations and developing novel ways of functioning and advertising. Innovation is of primary concern to managers around the globe, mainly because it has been linked to the increasing competitiveness of organizations and nations and the creation of wealth. Innovation has drawn tremendous attention in the business world over the last decades and seems to be up on the radar screens again. Innovation has been viewed as one of the key factors underlying a firm’s long-run competitive advantage (Corso, Martini, Paolucci & Pellegrini, 2001a; Du Plessis, 2007). According to Lagrosen (2005), new markets and growth possibilities can be created via innovation. The importance of innovation is widely acknowledged in many studies (Dewar & Dutton, 1986; Gloet & Terzioski, 2004; Kimberly & Evanisko, 1981; Lundvall & Nielsen, 2007).

1.2.1 Conceptualization of Innovation

There have been many definitions of innovation proposed over the decades through common use and research enquiry, some of which are presented below:

Schumpeter (1934) for the first time introduced the concept of innovation and recognized it by describing it as: introduction of a product which is new to customers, methods of production which are new to a particular industry, opening of new
markets, the use of new sources of supply and new forms of competition that leads to restructuring of an industry.

Zaltman et al. (1973) defined innovation as "any idea, practice, or material artifact perceived to be new by the relevant unit of adoption".

Schein (1980) “stated that the innovator role is an important component of managerial effectiveness since it is argued that for organizations to remain effective and competitive in complex and changing environments, they must have managers and employees who are innovative on behalf of the organization”.

Freeman (1982) defined innovation as “the technical design, manufacturing, management and commercial activities involved in the marketing of a new (or improved) product or the first commercial use of a new (or improves) process or equipment”.

Damanpour (1991) defined innovation as "the generation, development, and adaptation of novel ideas on the part of the firm".

Scott & Bruce (1994) pointed out that Innovation refers to a multistage process, with different activities and different individual behaviors at each stage, it begins with problem recognition and generation of ideas; then, building a coalition of supporters for it; at last, completing the idea by producing a prototype or model.

Nohria and Gulati (1996) defined innovation as to "include any policy, structure, method or process, or any product or market opportunity that the manager of an operating unit perceives to be new."

According to Trott (1998) innovation is defined as not a single action but a total process of interrelated sub processes. It is not just the conception of a new idea, nor the invention of a new device, nor the development of a new market. The process is all these things acting in an integrated fashion.”

Boer and During (2001) asserted that “Innovation is the creation of a new product–market–technology–organization combination”.
Tidd (2001) defined innovation as a process of turning opportunity into new ideas and of putting these into practice.

According to Luecke and Katz (2003) Innovation is generally understood as the introduction of a new thing or method. Innovation is the embodiment, combination or synthesis of knowledge in original, relevant, valued new products, processes or services.

According to McMurray & Dorai (2003), Workplace innovation can take many forms, including employee empowerment schemes, knowledge management policies, teamwork models, continuous skills development and learning plans, flexible work organisation arrangements, transparent communication practices, encouragement and nurturing of ideas at all levels of the organisation.

West & Farr (2004) defined innovation as, “the intentional introduction of and application within a role, group, or organization of ideas, processes, products or procedures, new to the relevant unit of adoption, designed to significantly benefit the individual, the group, organization or wider society”.

Fagerberg et al (2005) contended innovation as the event when an invention is ‘brought to the market’ either as a new product or a new production process used to produce for the market.

Baregheh et al (2009) defined innovation as: “a multi-stage process whereby organizations transform ideas into new/improved products, services or processes, in order to advance, compete and differentiate themselves successfully in their marketplace”.

Damanpour & Aravind (2012) described that an organization adopting innovations is “aware of new ideas, acquires, adapts, and uses them”. Innovation is the adoption of a new product, service, technology or practice in an organization, creating a competitive advantage.
Common themes in the conception of Innovation:

Comparing the various definitions of innovation given above, it can be seen that they have many common attributes covering: what is changed (new products), how much is changed (whether it is completely changed or only perceived as such), source of change (technology), influence of the change (social or commercial value). An attempt has been made to pull together common themes from various conceptualizations of innovation given by numerous researchers, which are pinpointed below:

According to one set of researchers i.e. Schumpeter (1934), Zaltman et al. (1973) Damanpour (1991) Boer and During (2001), Luecke and Katz (2003) and West & Farr (2004) - Innovation is creation of new ideas, methods or procedures designed to benefit the organization on the whole. As per Scott & Bruce (1994), Nohria and Gulati (1996), Trott (1998) and Baregheh et al (2009) – proposed that innovation results not from a single action, rather is considered as a result of a multistage process which begins with idea generation and ends at completing the idea by producing a prototype or model. Also, another stream of researchers Freeman (1982), Tidd (2001), Fagerberg et al (2005) and Damanpour & Aravind (2012) defined innovation with an emphasis on putting to use new ideas into practice, implementation, brought to market and commercialized and consumed in market.

1.2.2 Innovation and Creativity

Amabile (2004) explains that innovation involves creativity, but is not identical to it. Innovation involves acting on the creative ideas to make some specific and tangible difference in the domain in which the innovation occurs. Creativity is a starting point for innovation; it is necessary but not sufficient condition for innovation. For innovation to occur something more than the generation of a creative idea or insight is required and that insight must be put into action to make a genuine difference. Creativity has to do with the initiation or generation of novel and useful ideas and innovation has to do with idea implementation and doing new things (Van de Ven, 1986), so creativity can be considered as simply one part of the innovation.
1.2.3 Historical Background of Innovation

- Innovation research starting with Adam Smith (1776)

  The idea that innovation matters for the wealth of nations is present in the work of the classical economists. Innovation plays an important role in the introduction to Adam Smith’s classical work on the Wealth of Nations. It is especially interesting to note that he identifies and distinguishes two different modes of innovation. The first mode is experience-based and I will refer to it as the DUI-mode – learning by doing, using and interacting. The other mode is based upon science based search processes and I will refer to is as the STI-mode – science is seen as the first step toward new technology and innovation.

- Friedrich List on the need for the state to build innovation systems (1841)

  He presented a much broader agenda aiming at engaging government in the building of infrastructure that could contribute to technical advance. It is interesting to note that he referred to ‘mental capital’ as the most important kind of capital.

- Karl Marx on technological progress (1896)

  Marx also is a pioneer when it comes to emphasizes the importance of ‘technological competition’ where firms need to engage in innovation in order to gain markets and reduce costs.

- Marshall’s contribution (1919)

  Marshall (1919) introduced the idea of a national system of innovation. He links innovation to management competences, brings the wider institutional setting in terms of different types of research laboratories into the analysis and recognises that the overall system and mode of innovation may differ across national borders. Marshall’s focus on incremental innovation rather than on the radical innovations, may be seen as an important inspiration for modern innovation research.
Joseph Schumpeter as the grandfather of modern innovation (1934)

Innovation is seen as the major mechanism behind economic dynamics. He sees the innovation as the only sustainable source of profits and growth. The basic mechanism is that individual entrepreneurs who are seen as rule-breakers and forerunners introduce innovations – as new combinations - in new firms and markets.

Christopher Freeman as the father of modern innovation theory (1982)

The most important result was that interaction within and between organisations came out as one of the prerequisites for success in innovation. Freeman pioneered the vision that innovation should be understood as an interactive process not as a linear one.

Rosenberg and Kline’s Chain-linked model (1986)

The eighties was a period where innovation research become ‘emancipated’ and more ambitious. Rosenberg and Kline (1986) presented the Chain-linked model. The chain-linked innovation model represents the technical activities occurring in the innovation process, the external forces of the market place, as well as the complex interactions and iterations between the various stages of the process. Though highly stylized i.e. the phases of the innovation process are not so clear-cut in reality, this model allows visualizing the different possible stages of the process, their determinants and how they are interrelated.

Briggs Open Systems Model (1992)

The Open Systems Model is an organizational model based on systems theory that depicts the organization as a system that affects, and is affected by, its external environment, or super-system (Briggs, 1992). The model is composed of inputs, transformations and outputs. The inputs of an organization and resources are such as raw materials and knowledge. These inputs are transformed through an organization’s various processes to produce outputs such as products, services and ideas. An important component of the model is the feedback loop. This addition to the model supersedes older linear models and creates a non-linear model that receives constant feedback from its environment, which can substantially impact on future outputs.
Hage’s emphasis on Individual Innovation (1998)

Hage noted that studies on innovation predominantly addressed innovation at an individual level rather than at the team or organizational level. Innovation at the individual level was based on innovative behaviour in employees. Early research by Becker & Whisler (1967) explained innovative behaviour in terms of humanistic perspective which they defined as the personality characteristics of organizational participants. They devised a four-stage process that included stimulus, conception, proposal and adoption. The first two steps involve the individual, the third and fourth steps take on a group perspective.


Old Nesta was set up in 1998 by an independent endowment in United Kingdom. In 2012, the old Nesta transitioned from being an executive to a charitable body, changing its name to Nesta, and dropping the long title. Nesta currently operates in the following areas: economic growth, investment, public services and innovative industries. The mission of this organization (2002) is to make organizations more innovative by establishing an innovative culture that test new innovation models and inspire others to innovate. It supports innovation and creativity in the fields of science, technology and arts by helping individuals to turn inventions or ideas into products or services (2005). Nesta Organization in the year 2009 proposed top three employee characteristics and behaviours that are essential for innovative working i.e. motivation, openness to ideas, and original problem solving. A survey was carried out by the organization which indicated that innovation is considered one of the few proactive strategies an organization can take to regenerate growth and fight a recession. The organization recognized that to remain competitive, and work indeed survive, in the face of unprecedented economic, social, environmental challenges, organizations need to adopt new approaches to encourage innovative working. Nesta in the year 2013 posits that innovation drives economic growth in terms of productivity and explained four aspects to design an effective innovation policy:
Experimentation - Innovation is a risky business. Breakthroughs only come from a willingness to push at boundaries, to take risks, and, sometimes, to fail. What matters is not backing winning projects every time, but backing a good portfolio of projects.

Entrepreneurship - Entrepreneurs are essential to an innovative economy: they don’t usually come up with ideas, but they do work out how to put ideas into practice. The flip–side of an experimental innovation policy is the need for entrepreneurial leadership and challenge within the system.

Openness - Innovation flourishes when businesses, research organizations, and intermediaries such as standards bodies and trade bodies come together to identify and address major challenges.

Ambition - Finally, innovation policy needs ambition, with the right mix of challenge and focus.

1.2.4 Types of Innovation

Different set of researchers have categorized innovation into different types, sum of which are presented below:

According to McMurray & Dorai (2003), Innovation is of four types i.e.:

Individual Innovation

The presence of innovation enabling employees was an important element. Key innovation advocates such as internal champions, entrepreneurs, promoters, gatekeepers and other roles which support, energize and facilitate innovation were important organizational structures which support innovation.

Team Innovation

The innovation process often involved combining different perspectives in solving problems. Thus teamwork could be an essential element of innovation. Innovative teams often had: clearly defined tasks and objectives, effective team leadership, good balance of team roles and match to individual behaviour style,
effective group based conflict resolution mechanisms, and continuing liaising with external organization (Tidd et al, 2001).

- **Organizational Innovation**

  It is the implementation of a new organizational method in the firm’s business practices, workplace organization or external relations. Organizational innovations can be intended to increase a firm’s performance by reducing administrative costs or transaction costs, improving workplace satisfaction (and thus labour productivity), gaining access to non-tradable assets (such as non-codified external knowledge) or reducing costs of supplies.

- **Innovation Climate**

  Innovative climate was defined as the “positive approach to creative ideas supported by relevant reward systems”. Kanter (1984) suggested that there were a number of environmental factors that contributed to stifling an innovative climate. These included: dominance of restrictive vertical relationships, poor lateral communications, limited tools and resources, top down dictates.

According to Trott (2005) Innovation is of two types i.e.:

- **A product innovation** is the introduction of new products or services to meet the needs of the external user or the needs of the market (Damanpour & Gopalakrishnan, 2001; Knight, 1967). This includes significant improvements in technical specifications, components and materials, incorporated software, user friendliness or other functional characteristics. Product innovations can utilize new knowledge or technologies, or can be based on new uses or combinations of existing knowledge or technologies. According to Hage and Hollingsworth (2000), product innovation, also known as product development, refers to a systematic work process, drawing upon existing knowledge gained from research and practical experiences directed towards the production of new materials, products and devices, including prototypes.
A process innovation is the implementation of a new or significantly improved production or delivery method. This includes significant changes in techniques, equipment and/or software. Process innovations can be intended to decrease unit costs of production or delivery, to increase quality, or to produce or deliver new or significantly improved products. Bi et al. (2006) defined process innovation as the implementation of a new significantly improved production or delivery method, which includes changes in techniques, equipment and/or software.

Product innovation and process innovation have been popularly viewed as two important dimensions of technological innovation (Chuang, 2005; Cooper, 1998; Damanpour & Gopalakrishnan, 2001). Technological innovation relates to the modifications of existing products and processes based on single or multiple technologies (Roberts, 2007; Bi et al., 2006).

Also, another useful distinction is made between radical innovation and incremental innovation as shown in table -1.

Table 1

<table>
<thead>
<tr>
<th>Incremental Innovation</th>
<th>Radical Innovation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exploits existing technology</td>
<td>Explores new technology</td>
</tr>
<tr>
<td>Low uncertainty</td>
<td>High uncertainty</td>
</tr>
<tr>
<td>Focuses on cost or feature improvements in existing products or services, processes, marketing or business model</td>
<td>Focuses on processes, products or services with unprecedented performance features</td>
</tr>
<tr>
<td>Improves competitiveness within current markets or industries</td>
<td>Creates a dramatic change that transforms existing markets or industries, or creates new ones</td>
</tr>
</tbody>
</table>
1.2.5 Phases of Innovation

Any innovation must progress through a number of phases before it is commercially viable. This is true, irrespective of the type of innovation – whether it is a new product, a new service, a new process, an improved business process, or any combination of these. All innovations begin with the generation of ideas and the road to implementation and commercial success can be a long one.

Irrespective of the dimensions and degrees of innovation involved, ideas are generated, some are selected and developed into concepts, and the best of these concepts are chosen for implementation. The following figure -5 shows the typical phases of innovation as given by Goffin (2005), with a funnel of ideas being generated and collected by an organization.

*Figure 5*
Phases of Innovation

Some ideas are filtered out quickly whereas others progress further and are developed into what are normally called concepts. An initial idea might be developed into a concept by a small team of people from different functional areas of the business working together part-time over a few weeks or, for more complex ideas, the
The process of developing the concept may take longer. At the concept stage, an idea for a new product or new service will have been formalized to the extent that some questions such as the size of the potential market and the best way the product or service can be designed will have been considered (although these questions will not have been answered to a high level of detail). Similarly, at the concept stage, ideas for new processes will have been analysed as to the investments required and the returns these can bring. Normally, management takes the decision on which concepts will be chosen to become projects (the implementation phase), although the way in which an organization chooses the particular concepts for development may not be transparent to many of the employees. Certain concepts may be rejected as currently uninteresting, to emerge later as ‘recycled ideas’.

Australian Academy of Technology, Sciences and Engineering (2008) introduced an Innovation cycle that elucidates important phases of innovation in terms of different stages with its respective activities (shown in Table 2).

Table 2

*Innovation Cycle (Australian Academy of Technology, Sciences and Engineering, 2008)*

<table>
<thead>
<tr>
<th>Stage</th>
<th>Description</th>
<th>Typical activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Ideas</td>
<td>Identify a market opportunity</td>
</tr>
<tr>
<td>2</td>
<td>Resources</td>
<td>Organise people, finance and facilities to match the goals of the organisation</td>
</tr>
<tr>
<td>3</td>
<td>Investigate</td>
<td>Research the possibilities</td>
</tr>
<tr>
<td>4</td>
<td>Patent</td>
<td>Protect the intellectual property</td>
</tr>
<tr>
<td>5</td>
<td>Design</td>
<td>Model and test it for users</td>
</tr>
<tr>
<td>6</td>
<td>Develop</td>
<td>Improve the technology</td>
</tr>
<tr>
<td>7</td>
<td>Make</td>
<td>Start production</td>
</tr>
<tr>
<td>8</td>
<td>Sell</td>
<td>Advertise and inform people</td>
</tr>
<tr>
<td>9</td>
<td>Service</td>
<td>Communicate with the customers</td>
</tr>
</tbody>
</table>
The first stage in the innovation cycle is **ideas generation**. Ideas will often arise from observation of a current or future problem. They could be inspired by the organisation’s objectives or by a new market situation that suddenly becomes an opportunity. Once the opportunity has been recognised, it needs to be evaluated. An important test for an idea is that it matches the goals of the organisation and available resources – people, finance and facilities. If there is alignment with the objectives of the organisation, the idea moves to a new stage where it can be investigated and further developed. The development phase may involve further research into the opportunity or the patenting of the concept. Prototypes may well be designed, developed and tested at this stage. The decision to start selling the innovation is a critical stage. This is when significant resources are often required to support the launch. Sometimes an organisation might wait at the end of the development phase for suitable market conditions.

The final stage of the innovation cycle is **commercialisation**, where the innovation is marketed and sold to the customer. The innovation now moves out of the organisation’s control and into the hands of the users. This is the hardest stage of the innovation cycle for organisations to ‘manage’. It is crucial that the organisation monitors the innovation’s performance so that any shortcomings are corrected.

### 1.2.6 Models of Innovation

The literature review identifies various different models that attempt to explain how the innovation process works. Roy Rothwell (1995) classified the models of innovation process into five generations:

**First generation: Technology-push**

The 1950s were a period of post-war recovery where demand exceeded production capacity. Economic growth came from new technological sectors. As such the dominant corporate strategy emphasised R&D and manufacturing. During this period, the predominant model of innovation was the technology-push model, also known as the linear model. In this model, innovation was interpreted as progressing from basic scientific research, to development, to manufacturing and marketing.
resulting in a stream of new products in the market. Essentially innovation was seen as a linear process with the key input being R&D. The linear model implicitly assumes that the market is a ready sink for the output of R&D. The major weakness of the linear model is the absence of feedback paths, within the development process and from the market. The stages of the "Technology Push" model are:

<table>
<thead>
<tr>
<th>Basic science</th>
<th>Design and engineering</th>
<th>Manufacturing</th>
<th>Marketing</th>
<th>Sales</th>
</tr>
</thead>
</table>

**Second generation: Market-pull**

The latter part of the 1960s was an era of corporate growth. Companies were diversifying their product offerings to meet intensifying competition. There was a growing emphasis placed on marketing as a strategy. Innovation studies carried out during this period stressed the role of the market in the innovation process. Customer needs were seen to be driving the innovation process, hence the market-pull model. In the market-pull model, the key input to the innovation process is customer needs. The market was seen as a source of ideas for directing the activities of R&D. The stages of the "market pull" model are:

<table>
<thead>
<tr>
<th>Market need</th>
<th>Development</th>
<th>Manufacturing</th>
<th>Sales</th>
</tr>
</thead>
</table>

*First generation (technology-push) and Second generation (market-pull) are the two versions of the Linear Models of innovation. The Linear Model of Innovation is an early model of innovation that suggests technical change happens in a linear fashion from Invention to Innovation to Diffusion. These models were criticized for ignoring many feedbacks and loops that occur between the different "stages" of the process.*

**Third generation: Coupling model**

Numerous studies have concluded that the first and second generation models of innovation were oversimplified. In the 1970s, the explanation of the innovation process shifted towards the coupling model. Drawing on the coupling model, Rothwell and Zegveld (1981) described the innovation process as “a complex net of communication paths, both intra-organisational and extra-organisational, linking
together the various in-house functions and linking the firm to the broader scientific and technological community and to the marketplace.”

**Fourth generation: Integrated model**

In the mid 1980s studies of the innovation process in the automobile and electronics sector in Japan provided an alternative model - the integrated model. It was found that the Japanese approach to product development was based around a high level of *functional integration* and parallel activities across functions. This model promoted parallel cross-functional development and more effective overall integration, which led to higher information processing efficiency.

**Fifth generation: Systems integration and networking**

Innovation processes today resemble that of *networking processes* (1995). This is a result of several key trends: increasing numbers of international strategic alliances and collaborative R&D relationships; the increasing awareness of supply chain management. Professor Rothwell called the fifth generation innovation process the *systems integration and networking process* (SIN). This process is enabled by the use of electronic toolkits in design and development. The electronic toolkits may include simulation modelling, computer-based heuristics, inter-firm and intra-firm co-development. The 5G process of innovation is characterised by elements of systems integration and networking. System integration is made possible by the use of Information Technology (IT) to integrate the various functions within a firm.

**Recent Model of Workplace Innovation**

The Institute for Workplace Innovation created the Innovative Workplace Model (2010) comprising of eight dimensions (figure -6) to create dynamic work environments that support employees while meeting business objectives. Though the model dimensions appear segmented, they are dependent upon one another, and only together do they create the underlying fabric of an innovative workplace. Research demonstrates that practices within each of these categories are associated with improved recruitment, retention and employee engagement. Each workplace has
unique circumstances that drive priority areas and specific practices will vary by industry, occupational category and demographic group. However, the core components of the model apply across industry and organization type. Innovative workplace dimensions are as follows:

- Effective leadership & supervision
- Opportunities for learning & advancement
- Promotion of workplace flexibility
- Culture of inclusion
- Meaningful work
- Cultivation of social supports & teams
- Competitive compensation & benefits
- Promotion of health & wellness

However, following innovative workplace dimensions are relevant for studying managerial effectiveness are:

Effective leadership & supervision: Critical elements of effective leadership include the abilities to communicate well, develop employees, articulate a vision and motivate others, and create an inclusive work environment. Talent management practices, workforce planning, and even general support and inclusion are all hallmarks of effective leadership and supervision.

Meaningful work: Jobs that challenge employees and offer them opportunities for accomplishment, creativity and a sense of purpose beyond task completion can promote job satisfaction, foster self-esteem and reduce stress.

Cultivation of social supports & teams: Creating and fostering social supports and teams within an organization will help employees feel connected and supportive. Effective teams understand their goals and communicate well to achieve them; individuals understand their roles and recognize that they need to be team players. Not
only do teams and social supports help the organization operate more cohesively, but they help employees feel connected, synergistic, and purposeful.

Figure 6

Innovative Workplace Model

1.2.7 Drivers for Innovation

Various factors encourage an organization to innovate. Each of these drivers demands continuous innovation and learning so that the process can be repeated continuously. These drivers also help to create a sense of urgency around the need to create new organizational goals and generate new ideas for meeting these goals. These drivers which are explained by O’ Sullivan (2008) can be summarized as follows:

- Technological Advances

These have the potential for significant innovation across the organization and can be the basis for innovative products, processes, and services that can revolutionize the fortunes of an organization. Companies need to constantly monitor new
technology, as it may influence or potentially transform their markets. Existing technologies must also be considered, as today these are being more widely applied. Sources of emerging technology can include universities, high-technology startups, and competing organizations.

- Competitor Actions

The innovative actions of competitors and other organizations can be another driver of innovation. Competitors can provide a benchmark regarding which projects and initiatives to pursue. Copying competitor innovations reduces risk because the products may have already been adopted by the market. Although such behavior is unlikely to increase market share, it can be effective in maintaining the status quo by counteracting the advantage to the competitor.

- New Ideas

In the past, innovations were developed from the insights of a small number of designers and engineers. Now, however, with greater technological complexity and market segmentation, modern organizations are engaging as many stakeholders as possible in the innovation process. This can result in increased scanning capabilities and better information about market needs. Engaging employees, suppliers, customers, and other lead users can reveal new opportunities that otherwise might have gone undiscovered.

- External Environment

All organizations are affected by changes in their external environment; these changes can be another driver of innovation. Environmental changes can occur because of competitor actions that have revolutionized the business environment or can happen through macro shifts in the political, economic, cultural, or technological environment. As organizations struggle to realign with their new business environment, they must innovate their products, processes, and services accordingly.
1.2.8 Innovation at Workplace

If an organization is to be fully effective, every part of that organization needs to actively contribute to innovation. Innovation is certainly not just the responsibility of an R&D department in a manufacturing company, or the strategic planning group in a service operation. The main functional areas suggested by Goffin (2005) that should be involved are:

- **Research and development:** For many managers, R&D is the source of innovation and it is true that this function should drive many of the ideas for new products and services in a company. However, companies that concentrate solely on R&D can fall into the trap of producing sophisticated products that the market does not require.

- **Marketing:** It has a key role to play in generating ideas for innovation, through creative forms of market research. Marketing can make the difference between a good idea and a successful product. Without marketing and sales, a product innovation, or a new service will not attract customers’ interest and developing an effective sales channel is fundamental.

- **Operations:** This function, which is often called production or simply manufacturing in the manufacturing sector, also should contribute to innovation. Unfortunately, many operations managers do not perceive that they have a key role in driving innovation. This limits the ability of a company to obtain longer-term competitive advantage, through process innovations that are often harder to copy than product innovations.

- **Finance and accounting:** It can provide essential support in calculating return on investment for innovation projects. The finance function can make a considerable contribution to developing effective pricing packages.

- **Human resource management:** Hiring, developing and motivating good people are essential and challenging aspects of innovation management. The creative atmosphere of small teams can easily be lost as organizations grow and so the
human resource function can and should proactively support the maintenance of an innovative culture in their organization.

1.2.9 Ways to Boost Innovation

Paul Sloane (2007) lists below some important means by which innovation can be enhanced:

- **Have a vision for change**
  
  To be innovative your team must know the direction in which they are heading. Innovation has to have a purpose. It is up to the leader to set the course and give a bearing for the future. Great managers spend time illustrating the vision, goals and challenges. They explain to people how their role is crucial in fulfilling the vision and meeting the challenges. They inspire people to become passionate entrepreneurs, finding innovative routes to success.

- **Fight the fear of change**
  
  Constantly demonstrate the need for change. Innovative managers say, “We are doing well but we cannot rest on our laurels, we need to do even better.” They explain that while trying new ventures is risky, standing still is even riskier. They must paint a picture that shows an appealing future that is worth taking risks to achieve. They help people embrace change.

- **Think like a venture capitalist**
  
  Venture capitalists (VCs) use a portfolio approach and balance the risk of losing with the upside of winning. They like to consider lots of proposals. They are comfortable with the knowledge that many of the ideas they back will fail. These are all important lessons for business leaders who typically consider only a handful of proposals and who abhor failure.

- **Have a dynamic suggestion scheme**
  
  Great suggestion schemes are focused, easy to use, well resourced, responsive and open to all. They do not need to offer huge rewards. Recognition and response are generally more important. Above all, they have to have the whole-
hearted commitment of the senior team to keep them fresh, properly managed and successful.

- **Break the rules**

  To achieve radical innovation you have to challenge the assumptions that govern how things should look in your environment. Business is not like sport, with its well defined rules and referees. It is more like art and is rife with opportunity for the lateral thinker who can create new ways to provide the goods and services customers want.

- **Give everyone two jobs**

  Give all your people two key objectives. Ask them to run their current jobs in the most effective way possible and at the same time to find completely new ways to do the job. Encourage your employees to ask themselves—what is the essential purpose of my role? What is the outcome that I deliver that is of real value to my clients (internal and external)? Is there a better way to deliver that value or purpose? The answer is always “yes”, but most people never ask the question.

- **Collaborate**

  Many CEOs see collaboration as key to their success with innovation. They know they cannot do it all using internal resources. So they look outside for other organisations with complementary skills to partner with.

- **Welcome failure**

  Encourage a culture of experimentation. To be truly agile, you must give people the freedom to innovate, experiment and to succeed. That means you must give them the freedom to fail, too. Thomas Edison tested over 3000 filaments before he came up with his version of a practical light bulb.

- **Build prototypes**

  “Don’t debate it, test it”. Try the new idea at low cost in a section of the market and see what the customers’ reactions are. You will learn far more in the real world than you will in the test laboratory or with focus groups.
Be passionate

Focus on the things that you want to change, the most important challenges you face and be passionate about overcoming them. Your energy and drive will translate itself into direction and inspiration for your people. It is no good filling your bus with contented, complacent passengers. You want evangelists, passionate supporters. You want people who believe that reaching the destination is really worthwhile. If you want to inspire people to innovate, to change the way they do things and to achieve extraordinary results, then you have to be passionate about what you believe in and you have to communicate that passion every time you speak.

1.3 EMOTIONAL INTELLIGENCE

Emotional intelligence plays a significant part in assisting managers and employees to manage dynamic change in business environment (Rafiq et al., 2011). In recent times, emotional intelligence has been hailed by both academicians and practitioners as a soft skill that is critical for managers to succeed in their professional roles. Considerable research interest is seen today in the hitherto neglected area of human emotions and their impact at the workplace (Davies, Stankov & Roberts, 1998; Zadel, 2006). Mayer & Salovey (1990) developed the original theory of emotional intelligence, and Goleman (1995) popularized the concept. Google Scholar shows 57,000 references to emotional intelligence in scientific work during the years 1995 to 2000, 121,000 references during the years 2001 to 2006, and 162,000 references in the years 2007 to 2012. The competencies of perception, understanding, utilizing and managing emotions effectively in the self and others comprise the core of emotional intelligence (Maul, 2012; Mayer, Salovey & Caruso; 2004, 2008).

Over a decade, the concept of Emotional Intelligence (EI) has been rapidly attracting attention within corporate settings. As the companies round the globe strive to achieve more with less, the so-called ‘soft skills’ based on emotions, are associated with managerial effectiveness and organization success (Brooks, 2003). There are behavioural scientists who suggest that EI is not only important for the success of individual in an organizational setting, but also more important as individuals rise through to leadership positions. It may mean that EI is a critical factor for effective...
leadership in organizations of present millennium. EI is most evident in areas like corporate communication, marketing, safety, turnover, leading teams and projects cross-functionally, trustworthiness, influence and organizational awareness. It was further confirmed by the survey of benchmark practices among major corporations that four out of five companies were working on the promotion of emotional intelligence in their organizations (Zeidner & Matthews, 2004).

1.3.1 Role of Emotional Intelligence among Managers

Emotionally astute managers are able to deal with contentious employees, a tyrannical boss, rapid changes in the workplace, unexpected disappointments and triumphs while keeping a level head and strong sense of self. Their employees and peers depend on them for consistency, good judgment, and the ability to do the right thing at the right time. Some managers are born made and some are made, but all managers are made when it comes to corporate world. Managers have to study the emotions and emotional intelligence of their employees particularly to understand their feelings towards the organizational involvement, work culture and attitude of their employees for favorable or unfavorable feelings. Managers have to maintain emotional balance and express favorable feelings towards the environment and working conditions of an organization. Thus, managers have to play an important role to study the emotions of their employees. As the ability to get things done through people is the vital task of the managers, therefore, EQ emerges as an important factor. Diggins (2004) proposed that effective managers must have Emotional Intelligence, so that they can make decisions based on self management and relationship skills and are aware of how their activities influences others in the organization.

Emotional intelligence enable managers to emphatically address their followers, thus building high quality leader follower relations and strengthening followers identification with and trust in the leader (Kellet, Humphrey & Sleeth, 2006; Wolff, Pescosolido & Druskat, 2002). It is one of the useful tools which helps a manager to judge people more clearly and closely and build a connection between people. And it develops a sense of sensitivity, balance feeling and a strong mix of
cognitive capacity (logical, conceptual and creative thinking), people skills (interpersonal skills, influence skills and communication skills) Batool, (2013).

### 1.3.2 Conceptualization of Emotional Intelligence

There are a plethora of prominent authors who have defined “Emotional Intelligence” through varied perspectives, some of which have been delineated below:

Mayer & Salovey (1990) defined emotional intelligence as ‘the ability to monitor one’s own and others feelings and emotions to discriminate among them and to use this information to guide one’s thinking and actions’.

According to Mayer & Salovey (1997) Emotional Intelligence is defined as “the ability to perceive, appraise, and express emotions accurately; the ability to access and or generate feelings when they facilitate thought; the ability to understand emotions and emotional knowledge; and the ability to regulate emotions to promote emotional, intellectual and personal growth.”

Goleman (1998a) defined emotional intelligence as the capacity for recognizing our own feelings and those of others, for motivating ourselves, and for managing emotions well in us and in our relationships.

Schutte et al. (1998) asserted that Emotional Intelligence is the ability or tendency to perceive, understand, regulate, and harness emotions adaptively in the self and in others.

Freedman et al. (1998) substantiated that “Emotional Intelligence is a way of recognizing, understanding, and choosing how we think, feel, and act. It shapes our interactions with others and our understanding of ourselves. It defines how and what we learn, it allows us to set priorities, it determines the majority of our daily actions”.

Dulewicz & Higgs (1999) opined that Emotional Intelligence is concerned with “achieving one’s goals through the ability to manage one’s own feelings and emotions, to be sensitive to, and influence other key people, and to balance one’s motives and drives with conscientious and ethical behavior.”
Bar-On (2000) asserted that “Emotional intelligence is an array of non-cognitive capabilities, competencies and skills that influences one’s abilities to succeed in coping with environmental demands and pressures.”

According to Orioli & Cooper (2002) “Emotional Intelligence is the ability to sense, understand, and effectively apply the power and acumen of emotions as a source of human energy, information, creativity, connection and influence.”

Singh (2003) proposed an operational definition of EI in Indian context as, “Emotional Intelligence is the ability of an individual to appropriately and successfully respond to a vast variety of emotional stimuli being elicited from the inner self and immediate environment”.

Walkins (2007) asserted that “Emotional Intelligence is the capacity to recognize your own feelings and those of other people, to be able to motivate yourself, to manage emotions in yourself and in your relationships”.

Nadler (2007) described Emotional Intelligence as an ability or skill to understand and manage yourself and your emotions and understand and manage others and their emotions leading to star performance.

Hein (2007) defined “Emotional Intelligence is the innate potential to feel, use, communicate, recognize, remember, describe, identify, learn from, manage, understand, and explain emotions”.

Sims-Vanzant (2007) defined emotional intelligence as, “the ability to recognize one’s own feelings and those of others, the capacity to motivate others, and the ability to manage one’s own emotions and relationships”.

Petrides (2009) defined Emotional Intelligence as a self-perceived grand ability to identify, assess, manage and control the emotions of one’s self, of others, and of groups.
Bradberry and Greaves (2009) defined Emotional intelligence as the ability, capacity, skill or, in the case of the trait EI model, a self-perceived ability, to identify, assess, and manage the emotions of one’s self, of others, and of groups.

BNET Business Dictionary (2011) described Emotional Intelligence as the ability to perceive and understand personal feelings and those of others. Emotional Intelligence means recognizing emotions and acting on them in a reflective and rational manner which involves self-awareness, empathy, and self-restraints.

More recently, Multi Health Systems (2012) defined Emotional Intelligence as “a set of emotional and social skills that influence the way we perceive and express ourselves, develop and maintain social relationships. Cope with challenges, and use emotional information in an effective and meaningful way”.

**Common themes in the conception of Emotional Intelligence:**

An attempt has been made to pull together common themes from various conceptualizations of emotional intelligence given by numerous researchers, which are pinpointed below:

1.3.3 Historical Background of Emotional Intelligence

The most distant roots of Emotional Intelligence can be traced back to Darwin’s early work on the importance of emotional expression for survival and second adaptation. A brief history of Emotional Intelligence is as follows:

- **1930s** – Edward Thorndike describes the concept of “social intelligence” as the ability to get along with other people.

- **1940s** – David Wechsler suggests that affective components of intelligence may be essential to success in life.

- **1950s** – Humanistic psychologists such as Abraham Maslow describe how people can build emotional strength.

- **1975** – Howard Gardner publishes *The Shattered Mind*, which introduces the concept of multiple intelligences.

- **1985** – Wayne Payne introduces the term emotional intelligence in his doctoral dissertation entitled “A study of emotion: developing emotional intelligence; self-integration; relating to fear, pain and desire (theory, structure of reality, problem-solving, contraction/expansion, and tuning in/coming out/letting go).”

- **1987** – In an article published in *Mensa Magazine*, Keith Beasley uses the term “emotional quotient.” It has been suggested that this is the first published use of the term, although Reuven Bar-On claims to have used the term in an unpublished version of his graduate thesis.

- **1990** – Psychologists Peter Salovey and John Mayer publish their landmark article, “Emotional Intelligence,” in the journal *Imagination, Cognition, and Personality*.

1.3.4 Models of Emotional Intelligence

Emotional Intelligence refers to the ability to recognize and regulate emotions in ourselves and others (Goleman et al., 2002). Several schools of thought exist that aim to accurately describe and measure emotional intelligence.

Each theoretical model conceptualizes emotional intelligence from either the ability or mixed model perspective (Mayer & Salovey, 1990). However, mixed models of emotional intelligence combine mental ability with personality characteristics (Mayer, 1990). John Mayer and Peter Salovey (1990) proposed the ability model of emotional intelligence. Reuven Bar-On proposed a model based on the personality theory context, it emphasizes the co-dependence of the ability aspects of emotional intelligence with personality characteristics. Daniel Goleman, also proposed a mixed model in terms of performance, abilities, personality and the effects in the workplace (Goleman et al., 2002).

The main models of EI have been presented in the ensuing section:

1.3.4.1 Ability Based Models

The ability model of Emotional Intelligence focuses on the interplay of emotion and intelligence as traditionally defined. Peter Salovey (from University of New Hampshire) and John D. Mayer (from the University of Yale) (1990) have been the leading researchers on emotional intelligence who provided the theoretical foundation for understanding emotional intelligence as a set of abilities associated with emotions and cognitions. They based their theory on the assumption that “life tasks are laden with affective information, that this affective information must be processed, and that individuals may differ in the skill with which they do so”. Mayer and Salovey (1997) explored two components, “Emotions” and “Intelligence”, for understanding the concept of emotional intelligence. Emotions belong to the affective sphere of mental functioning and Intelligence is characterized by how well the cognitive sphere functions.
This model (figure 7) explains emotional intelligence as an actual domain of intelligence which is made of specific emotional and mental abilities. The ability model is the original version of emotional intelligence which is based on people’s ability to sense, analyze and utilize emotions. It views emotions as useful sources of information that help one to make sense of and navigate the social environment. The model proposes that individuals vary in their ability to process information of an emotional nature and in their ability to relate emotional processing to a wider cognition. This ability is seen to manifest itself in certain adaptive behaviors.

Figure 7

Mayer and Salovey’s (1997) Four Branch Model of Emotional Intelligence

The model claims that EI includes four types of abilities viz., the perception of emotions, the ability to reason using emotions, the ability to understand emotion, and the ability to manage emotions:

- **Perceiving emotions** – the ability to detect and decipher emotions in faces, pictures, voices, and cultural artifacts—including the ability to identify one’s own emotions. Perceiving emotions represents a basic aspect of emotional intelligence, as it makes all other processing of emotional information possible.

- **Using emotions** – the ability to harness emotions to facilitate various cognitive activities, such as thinking and problem solving. The emotionally intelligent person can capitalize fully upon his or her changing moods in order to best fit the task at hand.

- **Understanding emotions** – the ability to comprehend emotion language and to appreciate complicated relationships among emotions. For example, understanding emotions encompasses the ability to be sensitive to slight variations between emotions, and the ability to recognize and describe how emotions evolve over time.

- **Managing emotions** – the ability to regulate emotions in both ourselves and in others. Therefore, the emotionally intelligent person can harness emotions, even negative ones, and manage them to achieve intended goals.

### 1.3.4.2 Daniel Goleman’s Mixed Model of Emotional Intelligence

The model introduced by Daniel Goleman focuses on Emotional Intelligence as a wide array of competencies and skills that drive leadership performance. Considered an extension of Mayer & Salovey (1990), Goleman’s theory includes “a number of social and communication skills influenced by the understanding and expression of emotions” (Schutte et al., 1998). Goleman (1998a) conceptualizes Emotional Intelligence as including self-awareness, impulse control, zeal and motivation,
empathy and social deftness; these are the qualities he identifies as prerequisites for success in career and in relationships.

Goleman (1998a) identified the five ‘domains’ of Emotional Intelligence as: knowing one’s emotions, managing one’s emotions, motivating one’s emotions, recognising and understanding other people’s emotions, managing relationships, i.e., managing the emotions of others.

Goleman (1998a) outlined the distinction between emotional intelligence and emotional competence. Emotional competence refers to one’s ability to express or release one’s inner feelings (emotions) and implies an ease around others and determines one’s ability to effectively and successfully lead and express. Emotional Competence refers to the personal and social skills that lead to superior performance in the world of work. The Emotional Competence Framework by Goleman (1998a) identified twenty five competencies which were subsumed under five main domains comprising three Personal Competencies (self-awareness, self regulation, and motivation) which determine how we manage ourselves and two Social Competencies (empathy and social skills or adeptness in relationships) which determine how we handle relationships.

Emotional competencies are not innate talents, but rather learned capabilities that must be worked on and can be developed to achieve outstanding performance. Emotional intelligence is neither permanently or genetically fixed rather it has been presumed to be largely learned, developing as we live and learn from our experiences (Goleman, 1998a; Bagshaw, 2000; Cameron, 1999; Dulewicz & Higgs, 1999). Goleman posits that individuals are born with a general emotional intelligence that determines their potential for learning emotional competencies. Goleman (1998a) contended that Emotional Intelligence is enhanced as people “grow more adept at handling their own emotions and impulses, at motivating themselves, and at honing their empathy and social adroitness”.

59
These competencies are described as below:

- **Self-Awareness** – People with high emotional intelligence are usually very self-aware. They understand their emotions, and because of this, they don't let their feelings rule them. They're confident – because they trust their intuition and don't let their emotions get out of control. They're also willing to take an honest look at themselves. They know their strengths and weaknesses, and they work on these areas so they can perform better. Many people believe that this self-awareness is the most important part of emotional intelligence.

- **Self-Regulation** – This is the ability to control emotions and impulses. People who self-regulate typically don't allow themselves to become too angry or jealous, and they don't make impulsive, careless decisions. They think before they act. Characteristics of self-regulation are thoughtfulness, comfort with change, integrity, and the ability to say no.

- **Motivation** – People with a high degree of emotional intelligence are usually motivated. They're willing to defer immediate results for long-term success. They're highly productive, love a challenge, and are very effective in whatever they do.

- **Empathy** – This is perhaps the second-most important element of emotional intelligence. Empathy is the ability to identify with and understand the wants, needs, and viewpoints of those around you. People with empathy are good at recognizing the feelings of others, even when those feelings may not be obvious. As a result, empathetic people are usually excellent at managing relationships, listening, and relating to others. They avoid stereotyping and judging too quickly, and they live their lives in a very open, honest way.

- **Social Skills** – It's usually easy to talk to and like people with good social skills, another sign of high emotional intelligence. Those with strong social skills are typically team players. Rather than focus on their own success first, they help others develop and shine. They can manage disputes, are excellent communicators, and are masters at building and maintaining relationships.
Goleman, Boyatzis, & McKee (2002) revised the Emotional Intelligence (EI) model which consisted of four dimensions namely self-awareness, self-management, social-awareness and relationship management with twenty competencies within them. These dimensions and competencies are shown in figure -8.

Figure 8
Goleman’s (2001) Emotional Intelligence Competencies

![Goleman's Emotional Intelligence Competencies](source)


1.3.4.3 Bar-On Mixed Model of Emotional Intelligence

Bar-On’s (1997, 2000, 2001) model focusses on the affective components of emotional intelligence, he termed it emotional quotient (EQ) and assessed it as a type of well-being. Bar-On later discussed it as a noncognitive intelligence which is an important factor in determining a person’s ability to succeed in life, to cope with daily situations, and to get along in the world. He asserted that emotional intelligence is a multifactorial array of interrelated emotional, personal, and social abilities that influence one’s overall ability to understand oneself and others, relating to peers and family members; to actively and effectively cope with the daily demands of life.
Bar-On (1997) posits that EI develops over time and that it can be improved through training, programming, and therapy.

The five domains of this model as shown in Figure -9 (Bar-On, Brown, Kirkcaldy, & Thome, 2000) each of which comprises a number of sub-competencies are as follows:

(a) Intrapersonal capacity – The ability to be aware and understand oneself, one’s emotions, strengths, weaknesses and to express one’s feelings and ideas non-destructively. It comprises of the following competencies:

- Self-regard: Understanding and accepting ourselves.
- Emotional self-awareness: Being aware of and understanding our emotions.
- Assertiveness: Expressing our feelings non-destructively.
- Independence: Being self-reliant and free of emotional dependency on others.
- Self-actualization: Having the ability and drive to set and achieve our goals.

(b) Interpersonal skills – The ability to be aware of, understand, and to appreciate others feelings, needs, and emotions as well as to establish and maintain cooperative, constructive, mutually satisfying and responsible relationships with others. It subsumes the following competencies.

- Empathy: Being aware of and understand how others feel.
- Social responsibility: Identifying with and feeling part of our social group.
- Interpersonal relationships: Establishing mutually satisfying relationship with others.

(c) Adaptability – The ability to verify one’s feelings with objective external cues and accurately size up the situation, flexibility to alter one’s feelings and thoughts with changing situations, and the ability to solve personal and interpersonal problems. It consists of the following competencies.

- Reality testing: Validating our feelings and thinking with external validity.
Flexibility: Coping with and adapting to change in daily life.

Problem solving: Generating effective solutions to a problem of personal and social nature.

(d) Stress management strategies – The ability to cope with stress and to control strong emotions so that they work for us and not against us. It includes the following competencies.

- Stress tolerance: Effectively and constructively managing our emotions.
- Impulse control: Effectively and constructively controlling our emotions.

e) Motivational and general mood factors – The ability to be optimistic, to enjoy oneself and others, and to feel and express positive feelings. It comprises the competencies of:

- Optimism: Having a positive outlook and looking at the brighter side of life.
- Happiness: feeling content with ourselves, others, and life in general.

Figure 9

Bar-On’s model of Emotional Intelligence

Source: Reuven Bar On; Multi-health Systems, Inc, Toronto, Canada
1.3.4.4 The Trait Model of Emotional Intelligence

Petrides (2010) proposed a conceptual distinction between the ability based model and a trait based model of Emotional Intelligence. Trait Emotional Intelligence is “a constellation of emotional self-perceptions located at the lower levels of personality”. In lay terms, trait Emotional Intelligence refers to an individual’s self-perceptions of their emotional abilities. This definition of Emotional Intelligence encompasses behavioral dispositions and self perceived abilities and is measured by self report, as opposed to the ability based model which refers to actual abilities, which have proven highly resistant to scientific measurement. Trait Emotional Intelligence should be investigated within a personality framework. An alternative label for the same construct is trait emotional self-efficacy.

The trait Emotional Intelligence model is general and subsumes the Goleman and Bar-On models discussed above. The conceptualization of Emotional Intelligence as a personality trait leads to a construct that lies outside the taxonomy of human cognitive ability. This is an important distinction in as much as it bears directly on the operationalization of the construct and the theories and hypotheses that are formulated about it. Petrides, Furnham, & Frederickson (2004) listed facets of Emotional Intelligence that appear in different conceptualisations of the concept as shown in table -3.

Table 3

<table>
<thead>
<tr>
<th>Facets</th>
<th>High Scorers perceive themselves as…..</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adaptability</td>
<td>Flexible and willing to stand up for their rights.</td>
</tr>
<tr>
<td>Assertiveness</td>
<td>Forthright, frank, and willing to stand up for their rights.</td>
</tr>
<tr>
<td>Emotion Express</td>
<td>Capable of communicating their feeling to others.</td>
</tr>
<tr>
<td>Emotion Management (others)</td>
<td>Capable of influencing others people’s feelings.</td>
</tr>
<tr>
<td>Emotion Perception (self and others)</td>
<td>Clear about their own and others people’s feelings.</td>
</tr>
<tr>
<td>Emotion regulation</td>
<td>Capable of controlling their emotions.</td>
</tr>
<tr>
<td>Impulsiveness (low)</td>
<td>Reflective and less likely to give in to their urges.</td>
</tr>
<tr>
<td><strong>Relationship skills</strong></td>
<td>Capable of having fulfilling personal relationships.</td>
</tr>
<tr>
<td>------------------------</td>
<td>--------------------------------------------------</td>
</tr>
<tr>
<td><strong>Self-esteem</strong></td>
<td>Successful and self-confident.</td>
</tr>
<tr>
<td><strong>Self-motivation</strong></td>
<td>Driven and unlikely to give up in the face of adversity.</td>
</tr>
<tr>
<td><strong>Social Competence</strong></td>
<td>Accomplished networks with excellent social skills.</td>
</tr>
<tr>
<td><strong>Stress Management</strong></td>
<td>Capable of withstanding pressure and regulating stress.</td>
</tr>
<tr>
<td><strong>Trait Empathy</strong></td>
<td>Capable of taking someone else’s perspective.</td>
</tr>
<tr>
<td><strong>Trait Happiness</strong></td>
<td>Cheerful and satisfied with their lives.</td>
</tr>
<tr>
<td><strong>Trait Optimism</strong></td>
<td>Confident and likely to “look on the bright side” of life</td>
</tr>
</tbody>
</table>

**1.3.4.5 Singh’s Emotional Intelligence Model**

Singh (2003, 2005) has proposed an operational model of EI in Indian context (Figure -10). According to him, Emotional Intelligence is the ability of an individual to appropriately and successfully respond to a vast variety of emotional stimuli being elicited from the inner self and immediate environment. Emotional Intelligence constitutes three psychological dimensions viz., emotional competency, emotional maturity and emotional sensitivity which motivate an individual to recognize truthfully, interpret honestly and handle tactfully the dynamics of human behavior.

The description of these components is as follows:

- **Emotional Competency** is the capacity to tactfully respond to emotional stimuli. It is elicited by various situations having high self-esteem and optimism, communication, tackling emotional upsets such as frustration, conflicts, inferiority complexes, enjoying emotions, ability to relate to others, emotional self-control, capacity to avoid emotional exhaustion such as stress, burnout, learning to avoid negativity of emotions and handling egoism.

- **Emotional Maturity** implies evaluating emotions of oneself and others, identifying and expressing feelings, balancing state of heart and mind, adaptability and flexibility, appreciating other’s point of view. It is about developing others and delaying gratification of immediate psychological satisfaction.
Emotional Sensitivity constitutes understanding threshold of emotional arousal, managing the immediate environment, maintaining rapport, harmony and comfort with others. It involves being honest in interpersonal dealings, interpreting emotional cues truthfully, realizing communicability of emotions, moods and feelings. It is about having an insight into how others evaluate and relate to you.

Figure 10

Emotional Intelligence Model


1.3.4.6 Models of Emotional Intelligence at Work

1.3.4.6.1 Four-Cornerstone Model of Emotional Intelligence

Cooper and Sawaf (1996) in their book entitled Executive EQ put forth the four cornerstones of emotional intelligence at executive level. According to them emotional intelligence enables one to be more effective, helps to flow with challenges, helps in transforming difficult situations, sense opportunities, explore un-chartered opportunities, change the rules and helps in redesigning the future. The four cornerstones are: emotional literacy (involves the knowledge and understanding of one’s own emotions and how they function), emotional fitness (involves trustworthiness and emotional hardiness and flexibility), emotional depth (involves...
emotional growth and intensity), and *emotional alchemy* (involves using emotions to discover creative opportunities) as shown in figure -11.

*Figure 11*

Four Cornerstone Model of Emotional Intelligence

![Four Cornerstone Model of Emotional Intelligence](image)


- Emotional Literacy is being real and true to oneself. It builds personal power including self-awareness, a locus of personal efficacy and confidence through emotional honesty, energy, inner guidance, feedback, intuition, responsibility, and connection.
Emotional Fitness deals about being clear and getting along with others. It builds inspiration of self and others, including authenticity, believability, and resilience. It enhances capacity for listening, managing conflict, and making the most of constructive discontent while expanding the circle of trust by creating and sustaining the extended “trust radius” with others.

Emotional Depth, ways are explored to align life and work with one’s unique potential and purpose. This arena facilitates building of core character and influence. It is through emotional depth that we begin to discover and commit to the unique potential, which shapes our destiny and enables to fulfill the larger purpose in life.

Emotional Alchemy can be defined as any power or process of transmuting a common substance, thought to be of little value, into something of great value. It enables to exploit creative instincts, enhancing the capacity to flow with problems and pressures, to compete for the future by building capacities to sense more readily and access from the widest range of solutions and emerging opportunities, relying on one’s fluid intelligence.

In the workplace the driving forces of competitive advantage viz., building trusting relationships, increasing energy and effectiveness under pressure and creating the future innovation and unique potential are drawn together and put into action through the framework of Four Cornerstone Model of Emotional Intelligence (Sawaf, 1996).

### 1.3.4.6.2 Six Seconds Model of Emotional Intelligence

Freedman (1997) developed a three part model to give a practical and simple way to learn and practice emotional intelligence. According to him Emotional Intelligence is the capacity to get optimal results from your relationships with yourself and others. This model is based on the work of Mayer & Salovey (1990) who defined EQ as a scientific concept and also aligns with Goleman’s (1995) and Bar-On’s (1997) model of EI. This model consists of eight key skills or components which are further divided into three parts viz., Know Yourself, Choose Yourself, and Give
Yourself. It implies that to be emotionally intelligent means to “Know yourself”, Choose yourself”, and “Give yourself”. These three components are shown in figure - 12 presented below:

*Figure 12*

Six Seconds Model of Emotional Intelligence

![Six Seconds Model of Emotional Intelligence](Image)


- **Know Yourself**: The first component is about increasing the self-awareness. It is based on understanding how you function and enhancing emotional literacy and recognizing patterns.

- **Choose Yourself**: The second component aims to build self-management. It focuses on consciously choosing your thoughts, feelings, and actions i.e., apply consequential thinking, navigate emotions, engage intrinsic motivation, and exercise optimism.

- **Give Yourself**: It deals with developing self-direction. It focuses on increasing empathy, pursuing noble goals and principled decision making which
enhances wisdom and enables to create a more compassionate and healthy world.

1.3.4.6.3 Dulewicz and Higgs Model

Dulewicz and Higgs (1999) have identified seven key elements of Emotional Intelligence as self-awareness, emotional resilience, motivation, interpersonal sensitivity, influence, intuitiveness, and conscientiousness. These are described as:

- **Self-awareness** – Awareness of one’s feelings and the capability to recognize and manage those feelings in a way that one feels one can control.

- **Emotional Resilience** – The capability to perform consistently in a range of situations under pressure, to adapt behavior appropriately, and to balance the needs of the situation and task with the needs and concerns of the individuals concerned.

- **Motivation** – The drive and energy to achieve clear results and make an impact and, also, to balance both short and long-term goals with a capability to pursue demanding goals in the face of rejection or questioning.

- **Interpersonal Sensitivity** – The ability to be aware and take account of the needs perceptions of others when arriving at decisions and proposing solutions to problems and challenges.

- **Influence** – The capability to persuade others to change a viewpoint based on the understanding of their position and the recognition of the need to listen to this perspective and provide a rationale for change.

- **Intuitiveness** – The capability to arrive at clear decisions and drive their implementation when presented with incomplete and ambiguous information, using both rationale and ‘emotional’ or intuitive perceptions of key issues.

- **Conscientiousness** – The capability to display clear commitment to a course of action in the face of challenge and to match ‘words and deeds’ in encouraging others to support the chosen direction.
The model categorizes people as drivers, constrainers, and enablers. The Drivers, possess the traits of motivation and intuitiveness that energize people and drive them towards achieving their goals which are usually set very high. In the Constrainers, conscientiousness, integrity and emotional resilience acts as controls and curb the excesses of the Drivers especially if they are very high and undirected or misdirected. The Enablers are high on traits of self-awareness, interpersonal sensitivity, influence, which facilitate performance and help the individual to succeed.

High performance results if the individual has high scores on all the seven elements. Secondly, if all scores are average or above, there are no large disparities between Drivers and Constrainers. On the other hand, low performance results, firstly, if scores are below average on all seven elements. Secondly, if overall EQ and the Enablers score are average, but the Drivers are high and Constrainers are low or vice-versa. The model brings out two important dimensions. First, high scores on IQ, MQ i.e., the management competencies would be enablers of high performance. Second, the culture of the organization will have significant influence on whether managers with high EI would be selected and can prosper and survive.

1.3.5 Implications of Emotional Intelligence at Workplace

Goleman (1995) in his book claimed that cognitive ability (i.e., intelligence/IQ) contributes 20% towards life success whether personal or professional but the remaining 80% is directly attributable to emotional intelligence. He asserted that “Emotional Intelligence is twice as important as IQ and technical skills… higher up the organization you go more important the Emotional intelligence becomes”, IQ gets you hired and EQ gets you promoted. Goleman (1995) reported that at work, emotional intelligence assists people in teamwork, in cooperation, and in learning how to work more effectively that enables to achieve better outcomes in leadership, management, supervision, and relationship building, teaching EQ (soft) skills is more important than technical skills. Goleman (1998b) insisted that this ability is necessary for effective leadership and argued that “emotional intelligence skills are synergistic with cognitive ones; star performers have both”. Goleman (2001b) later extended his theory to the workplace and offered emotional intelligence
as a theory of performance which predicts personal effectiveness in the workplace, particularly in leadership behaviors. In a later book “Social Intelligence”, Goleman (2006) subsumed 25 competencies of emotional intelligence under the five main domains i.e., self-awareness, self-regulation, motivation, empathy, and social skills as shown in figure -13.

**Figure 13**

Emotional Intelligences at Work; proposed by Goleman, (2006):

<table>
<thead>
<tr>
<th>Personal competence</th>
<th>Social competence</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Self-awareness:</strong> Knowing one’s internal states, preferences, resources, and intuitions.</td>
<td><strong>Empathy:</strong> Awareness of other’s feelings, needs and concerns</td>
</tr>
<tr>
<td>- Emotional awareness: recognizing emotions and their effects</td>
<td>- Understanding others: sensing other’s feelings and perspectives and taking an active interest in their concerns</td>
</tr>
<tr>
<td>- Accurate self-assessment: knowing own strengths and limits</td>
<td>- Developing others: sensing other’s development needs and bolstering their abilities</td>
</tr>
<tr>
<td>- Self-confidence: strong sense of self-worth and capabilities.</td>
<td>- Service orientation: anticipating, recognizing and meeting customer needs</td>
</tr>
<tr>
<td><strong>Self-regulation:</strong> managing one’s internal states, impulses, and resources</td>
<td>- Leveraging diversity: cultivating opportunities through different kinds of people</td>
</tr>
<tr>
<td>- Self-control: keeping disruptive emotions and impulses in check</td>
<td>- Political awareness: reading a group’s emotional currents and power relationships</td>
</tr>
<tr>
<td>- Trustworthiness: maintaining standards of honesty and integrity</td>
<td><strong>Social skills:</strong> Adeptness at inducing desirable responses in others</td>
</tr>
<tr>
<td>- Conscientiousness: taking responsibility for personal performance</td>
<td>- Influence: wielding effective tactics for persuasion</td>
</tr>
<tr>
<td>- Adaptability: flexibility in handling change</td>
<td>- Communication: listening openly and sending convincing messages</td>
</tr>
<tr>
<td>- Innovation: being comfortable with novel ideas, approaches and new information.</td>
<td>- Conflict management: negotiating and resolving disagreements</td>
</tr>
<tr>
<td><strong>Motivation:</strong> Emotional tendencies that guide or facilitate reaching goals</td>
<td>- Leadership: inspiring and guiding individuals and groups</td>
</tr>
<tr>
<td>- Achievement drive: striving to improve or meet a standard of excellence</td>
<td>- Change catalyst: initiating or managing change</td>
</tr>
<tr>
<td>- Commitment: aligning with the goals of the group or organization</td>
<td>- Building bonds: nurturing instrumental relationships</td>
</tr>
<tr>
<td>- Initiative: readiness to act on opportunities</td>
<td>- Collaboration and cooperation: working with others towards shared goals</td>
</tr>
<tr>
<td>- Optimism: Persistence in pursuing goals despite obstacles or setbacks</td>
<td>- Team capabilities: creating group synergy in pursuing collective goals</td>
</tr>
</tbody>
</table>
Emotional Intelligence has also been claimed to be an important factor in managerial effectiveness. George (2000) used the Salovey, Mayer, and Caruso four branch model of Emotional Intelligence as a heuristic framework for outlining the importance of Emotional Intelligence in managerial effectiveness. George asserts that by accurately identifying how followers feel, managers better appraise and influence followers’ emotions so they are supportive of managers goals and objectives, thus insuring a shared vision. Managers can use intense emotions as signals to direct their attention to issues in need of immediate attention, and can use emotions to prioritise demands. They can also better anticipate how well their followers will react to different circumstances and changes. High Emotional Intelligence managers are claimed, according to this model, to generate excitement, enthusiasm, and optimism in the work environment and are said to be able to maintain an atmosphere of cooperation and trust through the development of high quality interpersonal relations. Managers can also effectively instill in others an appreciation of the importance of work activities and convey the message to their followers that they are optimistic about their personal contributions.

1.4 ORGANIZATIONAL CLIMATE

Organizations in the 21st century are facing more challenges than ever before. These challenges are not unique to any specific organization or industry, but affect all organizations, regardless of their structure or size. Organizational climate in particular is constantly challenged by changes impacting organizations today (Nair, 2006). Organizational climate is the summary perception which people have about their organization. It is, thus, a global expression of what the organization is and includes organizational norms which are grouping of expected behaviours, languages, principles and postulations that allow the workplace to perform at a suitable pace (Appelbaum et al, 2007). Organizational climate plays an essential role in shaping employees’ behaviors and influencing their perception of knowledge management (Chen & Lin, 2004; Long, 2000; Sveiby & Simons, 2002). For the individual members within the organization, climate takes the form of a set of attributes and expectancies that describe the overall pattern of organizational activities (Jaw & Liu, 2003). Climate or atmosphere in workplace has a major impact on employees and
manager’s motivation, behavior, attitudes and potentials, which, in turn is predicted to influence organizational productivity (Adenike, 2011). In other words, the climate or the organizational climate is considered very important in the life of organizations due to its clear effects and relations to the various regulatory activities. It affects employees’ and managers satisfaction and performance and, thus, the success of the organization and its ability to continue (Al-Saudi, 2012). Organizational climate is a meaningful construct with significant implications for understanding human behaviour in organizations (Allen, 2003; Al-Shammari, 1992; Ashforth, 1985; Cotton, 2004; Glission & James, 2002).

1.4.1 Conceptualization of Organizational Climate

There are a plethora of prominent authors who have defined organizational climate through varied perspectives that have been delineated below:

Tagiuri and Litwin (1968) defined organizational climate as "the relatively enduring quality of the total [organizational] environment that (a) is experienced by the occupants, (b) influences their behavior, and (c) can be described in terms of the values of a particular set of characteristics (or attributes) of the environment."

Campbell et al. (1970) stated that Organizational climate is a set of attitudes and expectations describing the organization’s static characteristics and behaviour-outcome and outcome-outcome contingencies.

Hellriegal and Slocum (1974) defined climate as “a set of attributes which can be perceived in a particular organization and/or its sub-systems, which may be deduced from the way that the organization deals with its members”.

Schneider & Bartlett (1975) defined organizational climate as a mutually agreed internal (or molar) environmental description of an organization’s practices and procedures.

As per Moran and Volkwein (1992) Organizational Climate is defined as "a relatively enduring characteristic of an organization which distinguishes it from other organizations and hence (a) embodies members' collective perceptions about their
organization with respect to such dimensions as autonomy, trust, cohesiveness, support, recognition, innovation (b) reflects the prevalent norms and attitudes of the organization's culture; and (c) acts as a source of influence for shaping behavior."

Katz and Kahn (1996) asserted that “the climate in an organization reflects the type of people who compose the organization, the work processes, means of communication and the exercise of authority within the individual”.

Xaba (1996) defined organizational climate as consciously perceived environmental factors subject to organizational control.

Prasad (2000) described that organizational climate serves as the guideline for dealing with people and has a major influence on motivation and productivity of individuals as well as total work group.

According to Gerber (2003) Organisational climate is defined as the shared perceptions, feelings and attitudes that organisational members have about the fundamental elements of the organisation, which reflect the established norms, values and attitudes of the organisation's culture and influences individuals' behaviour positively or negatively.

Burton et al (2004) organizational climate is defined as the “aggregated perceptions of individuals concerning the organization - its degree of trust, conflict, morale, rewards equity, leader credibility, resistance to change and scape goating”.

Svyantek and Bott (2004) Organizational climate represent employees’ perceptions of organizational policies, practices, and procedures, and subsequent patterns of interactions and behaviors that support creativity, safety, or service in the organization.

French et al (2004) “Organizational climate is defined as people’s perception and attitude about the organization – whether it is good or bad place to work, friendly or unfriendly, hard working or easy going and so forth.”
Bock et al. (2005) Organizational climate is a multi-dimensional concept. “Climate refers to a contextual situation at a point in time and its link to the thoughts, feelings, and behaviours of organizational members.”

Patterson et al (2005) “Organizational climates represent employees’ perceptions of organizational policies, practices, and procedures, and subsequent patterns of interactions and behaviors that support creativity, safety, or service in the organization.”

Mendez Alvarez (2006) opined an evocative and comprehensive definition of climate: “The ambiance of the organization produced and perceived by the individual according to the conditions found in the process of social interaction and organizational structure that is expressed by variables (goals, motivation, leadership, control, power decisions, interpersonal relations) to advise their belief, perception, degree of participation in determining their behavior and attitude, satisfaction and level of work efficiency”.

Ivancevich, Konopaske & Matteson (2007) explained that the climate is the feel of the organization, the individual and shared perceptions and attitudes of the organization's members.

Schneider (2008) described Organizational Climate as an experientially based description of the work environment and, more specifically, employees’ perceptions of the formal and informal policies, practices and procedures in their organization.

Constantin (2008) stated that “Organizational climate is the sum of employed perceptions, majorly influencing their behaviours during a certain period of time. It is a representation of both individual and collective organizational culture”.

Farooqui (2012) defined organizational climate as the set of characteristics that describe an organization and that distinguish the organization from other organizations and influence the behaviour of people in the organization.
As per Aiswarya & Ramasundaram (2012) organizational climate is defined as the recurring patterns of behaviour, attitudes and feelings that characterize life in the organization more related to atmosphere and values.

Recently, Moghimi & Subramanian (2013) defined organizational climate to the values, beliefs that are not visible but exist within the employees’ behaviour and action.

Common themes in the conception of Organizational Climate

An attempt has been made to pull together common themes from various conceptualizations of organizational climate given by numerous researchers, which are pinpointed below:

A stream of researchers i.e. Campbell et al. (1970), Moran and Volkwein (1992), Gerber (2003), Burton et al (2004), Svyantek and Bott (2004), French et al (2004), Bock et al. (2005), Patterson et al (2005), Ivancevich, Konopaske & Matteson (2007), Constant in (2008) and Farooqui (2012) referred Organizational climate to organization members shared perceptions, feelings and attitudes towards their organization which reflects organization’s norms and determines its members behavior accordingly. According to one set of researchers i.e. Tagiuri and Litwin (1968), Schneider (1975), Xaba (1996), Alvarez (2006), and Schneider (2008) – defined Organizational climate in terms of quality of total organizational environment or ambiance which is primarily influenced by organization structure, social processes and communication patterns. Also, as per Prasad (2000), Aiswarya & Ramasundaram (2012) and Moghimi & Subramanian (2013) – organizational climate is a construct that is not visible but exists within employees’s behaviour and action, and influences individuals as well as teams productivity.

1.4.2 Organizational Climate / Organizational Culture

The concepts of organizational climate and organizational culture are often used interchangeably, with researchers in organizational studies treating the concepts as if they were identical. Though appearing to be similar, organisational climate is not
the same as organizational culture. Organizational culture (Schein, 1992) represents a pattern of shared basic assumptions learnt by the organization for solving problems related to internal integration and external adaptation. Such a pattern of shared basic assumptions are believed to be valid and prescribed to new organizational members as the most desirable ways for solving future problems. On the one hand, organizational climate is behaviourally oriented, and it describes what is happening to organizational members (Schneider, 2000). On the other hand, organizational culture provides the reasons for what is happening in terms of shared values and common beliefs held by organisational members (Svyantek & Bott, 2004). Comprehensively, organizational climate explains how things are done in the organization, but organizational culture explains why things are done in the organisation. The difference is succinctly given by Burke and Litwin (1992), who contend that organizational climate is in the foreground of organizational members’ perception but organizational culture is in the background, and it is defined by values and beliefs. In practice, organization climate research generally involves quantitatively based questionnaire measures, while organizational culture research generally, involves qualitative measures (Patterson, et al. 2005).

1.4.3 Historical Development of Organizational Climate

Organizational Climate researches can be traced back to the 1930s. Since then, many studies conducted to date have been dealt with issues such as the definition of organizational climate, measurement and dimensions of this concept (Zhang & Liu, 2010).

- Contribution of Lewin, Lippitt & White (1939)

The earliest reference of Organizational Climate is found in the article of Lewin, Lippitt and White (1939). The article mainly emphasised on the relationship between leadership styles and so-called ‘Social Climate’. Lewin (1951) proposed field theory which for the first time discussed about organizational climate. According to field theory, behaviour is a function of both the person and the environment or climate as it (climate) persuades person’s motivation and behaviour.
Introduction of Organization Climate by Argyris (1958)

In his attempt to diagnose the group dynamics in a bank, Argyris introduced the concept of Organizational Climate. In that paper Argyris defined climate in terms of formal organizational policies, employee needs, values, and personalities. This paper also triggered off the popular ambiguity between culture and climate that persisted till late 70’s in the realm of organizational studies.


McGregor in this book elaborated the concept of managerial climate. He argued that the climate is primarily determined by the managerial assumptions and the relationship between the managers and their subordinates. There were of course drawbacks on the conceptual framework. First, McGregor did not present any technique of measurement of Organizational Climate. Second, it is culture, not climate which are measured by the sets of assumptions.

Contribution of Forehand and Gilmer (1964)

They defined Organizational Climate as a ‘set of characteristics that (a) describe the organization and distinguish it from other organizations (b) are relatively enduring over time and (c) influence the behaviour of people in the organization.’

Framework of Organizational Climate given by Litwin and Stringer (1966)

In their extensive research work Litwin and Stringer (1966) introduced a very comprehensive framework of Organizational Climate. Litwin defined organizational climate as “a group of measureable characteristics that members could perceive directly or indirectly in the work environment”. They provided six dimensions of Organizational Climate that include i) structure ii) responsibility iii) reward iv) risk v) warmth and vi) support.

Measurement of Organizational Climate by Schneider and Bartlett (1968)

In a study by Schneider and Bartlett (1968), attempts were made to develop a measure of climate. During this time the studies of Organizational Climate has
established the fact that it can be conceptualized and measured through the shared perceptions of the organizational members and almost all the contemporary studies embraced the concept. They developed Organizational Climate Scale which measured six dimensions i.e. organizational support, member autonomy, openness, member conflict, supervisory style, member quality.

Contribution of James and Jones (1974)

In their unique effort, James and Jones (1974) reviewed all the previous relevant researches, definitions, conceptual frameworks, and measurement approaches and differentiated them into three principal categories (cited in Jackson-Malik, 2005). These three approaches to identifying the basic premise of organisational climate have attracted a great deal of interest from social scientists.

a. Multiple measurement-organizational attribute approach (MMOAA) – This approach views organisational climate as a set of relatively enduring characteristics that distinguish one organisation from another as defined by Forehand and Glimer (1964).

b. Perceptual measurement-organizational attribute approach (PMOAA) – This approach explains organisational climate as a set of perceived attributes of the organisation (or its sub systems), induced from the way the organisation and its members deal with each other and with their environment as defined by Hellreigel and Slocum (1974).

c. Perceptual measurement-individual attribute approach (PMIAA) – This approach consider organisational climate as created by the perception of organisational members about the outcome of interactions among five components of the organisation. These interaction components are (a) structure, (b) system, (c) culture, (d) leader behaviour, and (e) employees’ psychological needs as defined by Pareek (1989).

Litwin and Stringer’s Dimensions of Organizational climate
Litwin & Stringer categorized organizational climate into following eight typical determinants (Mok and Au-Yeung, 2002; Giles, 2010; Holloway, 2012):

a. Organizational structure: The feeling that employees have about the constraints in the organization. Organizational structure refers to how many rules, regulations, procedures have been implemented in organization and is there an emphasis on “red tape” or is there a loose and informal atmosphere.

b. Standards: It measures the feelings of pressure to improve performance and the degree of pride employees have in doing a good job. However standards refer to clearly defined high standards for performance.

c. Responsibility: The feeling of become one’s own boss, not having to double-check all decisions in organization. A sense of high responsibility signifies that employees feel encouraged to solve problems on their own.

d. Support: Support reflects the feeling of trust and mutual support that prevails in organizations. Support is high when employees feel that they are part of an organization and when they sense that they can get help from their managers.

e. Commitment: The feeling that you belong to a company and you are a valuable member of an organization. Commitment reflects employees’ sense of pride in belonging to the organization and their degree of commitment to the organization’s goals.

f. Reward: It indicates employees’ feelings of being rewarded for a job well done. Reward is the feeling of being rewarded for a job well done; emphasizing the perceived fairness of the pay and promotion policies.

g. Warmth: The feeling of general good solidarity that prevails in the organization. In other words, warmth working conditions emphasis on being well-liked; the prevalence of warm and informal social groups.
h. Risk and Conflict: Conflict refers to feeling of managers and other employees want to hear different opinions; the emphasis placed on getting problems out in the open, rather than smoothing them over or ignoring them. Risk refers to people avoid risks to protect themselves in organizations and employee’s risk taking encouraged by organization.

1.4.4 Types of Organizational Climate

Zammuto and Krackover (1991) created four different climate types which they labelled as:

- Group climate:
  
  The group climate could be described as a friendly place to work where people share a lot of themselves. It is like an extended family. The managers, or head of the organization, are considered to be mentors and, perhaps even parent figures. The organization is held together by loyalty or tradition. Commitment is high. The organization emphasizes the long-term benefits of human resource development with high cohesion and morale being important. Success is defined in terms of sensitivity to customers and concern for people. The organization places a premium on teamwork, participation, and consensus.

- Developmental climate:

  The developmental climate could be described as a dynamic, entrepreneurial and creative place to work. People stick their necks out and take risks. The managers are considered to be innovators and risk takers. The glue that holds organizations together is commitment to experimentation and innovation. The emphasis is on being on the leading edge. Readiness for change and meeting new challenges are important. The organization's long-term emphasis is on growth and acquiring new resources. Success means having unique and new products or services and being a product or service leader is important. The organization encourages individual initiative and freedom.
Rational goal climate:

The rational goal climate could be described as a results-oriented organization. The managers are hard drivers, producers, and competitors. They are tough and demanding. The glue that holds the organization together is the emphasis on winning. The long-term concern is on competitive actions and achievement of measurable goals and targets. Success is defined in terms of market share and penetration. Competitive pricing and market leadership are important. The organizational style is hard driving competitiveness.

Internal process climate:

The internal process climate is a formalized and structured place to work. Procedures govern what people do. The leaders pride themselves on being coordinators and organizers. Maintaining a smooth running organization is important. The long term concerns are stability, predictability, and efficiency. Formal rules and policies hold the organization together.

1.4.5 Theoretical perspectives and Models of Organizational Climate

Organizational Climate research posits two important theoretical questions - which refers to the ‘formation of climate’ and the ‘appropriate level of analysis in climate research’. Formation of climate can be understood with the help of perspectives of organizational climate. Early climate research focused on the individual level as the level of analysis (sometimes referred to as psychological climate, L. R. James et al., 2008; L. R. James & Jones, 1974), as the field developed, scholars started to treat organizational climate more as a group-level phenomenon (Ashforth, 1985; Glick, 1985). The focus switched towards shared, collective perceptions and organizational outcomes (Schneider, et.al.,2011). Moran and Volkwein (1992) identified four perspectives concerning the formation of organizational climate namely Structural, Perceptual, Interactive and Cultural perspective.
Structural perspective

The structural perspective views climate as an objective manifestation of the organizational structure. Organizational climate develops because all members of an organization are exposed to the organization’s structural characteristics. This exposure results in employees having similar perceptions regarding organizational traits. These similar perceptions represent the organizational climate (Guion (1973), cited in Moran & Volkwein, 1992).

Perceptual perspective

According to this perspective the basis for the formation of the organizational climate lies within the employee. Employees respond to situational variables in a manner that they feel is psychologically significant. Organizational Climate is thus a psychologically processed description of conditions in the organization (Schneider & Reichers (1983), cited in Moran & Volkwein, 1992).

Interactive perspective

According to the interactive perspective the interaction of individuals in responding to the same organizational situation elicits a shared consensus, which then forms the basis of the organizational climate (Jackofsky & Slocum (1988), cited in Moran & Volkwein, 1992).

Cultural perspective

The cultural perspective believes that organizational climate is created by a group of interacting individuals who share a common frame of reference as they come to terms with situational contingencies. This common frame of reference is known as the organizational culture and it gives rise to organizational climate (Berger & Luckman (1967), cited in Moran & Volkwein, 1992). The cultural perspective thus links organizational climate and organizational culture, by suggesting that organizational culture influences the development of organizational climate. According to Aamodt (1999) organizational culture establishes workplace norms of
appropriate behaviour (what is wrong or right) and defines roles and expectations for both management and employees.

*The models of Organizational Climate include: a behavioral model - the Traditional climate model (Field & Abelson, 1982) and a conceptual model - the Organizational climate model (Martins & Martins, 2001) which are discussed below:*

**The Traditional Climate Model**

The Traditional Climate Model (figure -14) was developed by Field and Abelson (1982) and focuses on the factors that influence climate. These factors are labeled external, organizational and person. External influences involve the physical and socio-cultural environment, while organizational influences include aspects such as centralization, configuration, formalization, size, structure, technology and standardization. Person influences include managerial behaviour, leadership pattern and rewards or controls.

Research conducted in the 1970s showed that organizational climate has numerous dimensions. Four of these dimensions are included in the Traditional Climate Model, namely autonomy/control, degree of structure, rewards and consideration and warmth and support. The organizational climate (the environment as it is) influences the individual’s psychological climate (the climate as it is perceived). However, this link is influenced and moderated by the individual’s group, task and personality. A cognitive map is created from the individual’s psychological climate. This map serves as a filter for further incoming information and thus has a feedback effect on the psychological climate (Field & Abelson, 1982).

Schneider (1975) found evidence suggesting that filtering and feedback effects influenced the link between the cognitive map and the individual’s psychological climate. He also found that the longer individuals had contact with an organisation the more difficult it was to change their perceptions regarding that organisation’s climate. Cognitive maps allow individuals to construct expectancies and instrumentalities, which are related to the individual’s job behaviours including motivation,
performance and satisfaction. The individual’s ability and personality moderate these relationships (Field & Abelson, 1982).

Figure 14

Traditional climate model

<table>
<thead>
<tr>
<th>External</th>
<th>INFLUENCES ON CLIMATE</th>
<th>Organizational</th>
<th>Person</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physical Environment</td>
<td>Centralisation</td>
<td>Size</td>
<td>Managerial Behaviour</td>
</tr>
<tr>
<td>Socio-Cultural Environment</td>
<td>Configuration</td>
<td>Structure</td>
<td>Leadership Pattern</td>
</tr>
<tr>
<td></td>
<td>Formalisation</td>
<td>Technology</td>
<td>Rewards / Controls</td>
</tr>
<tr>
<td></td>
<td>Standardisation</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Organisational Climate**
- Autonomy
- Degree of Structure
- Rewards
- Consideration, Warmth, Support

**Psychological Climate**

**Cognitive Map**

**Expectancies and Instrumentalities**

**Job Behaviours**
- Motivation
- Performance
- Satisfaction

**Moderated By**
- Group
- Task
- Personality

**Moderated By**
- Ability
- Personality

Source: Adapted from Field & Abelson (1982)

The Organizational Climate Model

Martins and Martins’ (2001, 2002) conceptual Organizational Climate Model includes inputs, climate dimensions and outcomes and feedback and evaluation. The
inputs in the model include human inputs, customer expectations, technology, financial inputs and environmental inputs. These inputs influence the various dimensions of climate. According to the model the dimensions of organizational climate include task systems, job satisfactions and strategic focus. This model sees organizational climate as impacting directly on the organization’s outcomes, including productivity, satisfaction, transformation and profitability. The model also suggests that human inputs have an impact on organizational climate dimensions such as management processes and interpersonal processes as shown in figure-15. Interpersonal processes in turn influence member’s productivity and satisfaction. It is thus possible to argue that there is a relationship between leadership styles (a human input) and organisational climate (management and interpersonal processes) and that these two factors impact employees’ perception of the climate (a satisfaction output).

Figure 15
Organisational Climate Model

![Organisational Climate Model](image)

Source: Martins & Martins (2001)

According to Ekvall (1996) organizational climate influences organizational processes such as problem solving, decision-making, communications, coordination, controlling and psychological processes such as learning, creating, motivation, and
commitment. Through influencing these processes organizational climate thus impacts on the results of the operations of the organization. Various resources (people, money, machines) are used in the organization’s processes and operations. These operations lead to a multitude of effects at various levels of abstraction. For example, high or low quality products or services; radically new products; only small improvements to old products; high or low well being amongst employees; commercial profit or loss. Although climate exerts a strong influence on these outcomes, these effects or outcomes also influence the organization’s resources and climate. The effect is thus circular and causality is hard to determine (Ekvall, 1996).

The theoretical perspectives and models of Organizational Climate can be summarized with the help of The Competing Values model as cited in Patterson & West (2005):

The Competing Values model, developed in a series of articles and studies by Quinn and colleagues (e.g., Quinn & Rohrbaugh, 1981, 1983; Quinn & McGrath, 1985) aimed to provide a broad conceptual map of the domains of theory in the field over the last 60 years. Such a map is useful in identifying the required topography of a climate measure, applicable to a wide range of organizations.

The Human Relations Model (internal focus, flexible orientations) has norms and values associated with belonging, trust, and cohesion, achieved through means such as training and human resource development. Climate dimensions which we identified as representing this quadrant are:

a. Employee welfare—the extent to which the organization values and cares for employees (e.g., Robinson & Rousseau, 1994; Guest, 1998)

b. Autonomy—designing jobs in ways which give employees wide scope to enact work (e.g., Cherns, 1976; Klein, 1991)

c. Participation—employees have considerable influence over decision-making (e.g., Miller & Monge, 1986; Hollander & Offerman, 1990; Heller, Pusi, Strauss, & Wilpert, 1998)
d. *Communication*—the free sharing of information throughout the organization (e.g., Callan, 1993; Hargie & Tourish, 2000)

e. *Emphasis on training*—a concern with developing employee skills (e.g., Gattiker, 1995; Morrow, Jarrett, & Rupinski, 1997)

f. *Supervisory support*—the extent to which employees experience support and understanding from their immediate supervisor (e.g., Cummins, 1990; Eisenberger et al., 2002).

- In the **Internal Process Model** (internal focus, control orientation) the emphasis is on stability, where the effects of environmental uncertainty are ignored or minimized. The Internal Process Model represents the classic bureaucracy. Scales which reflect this model are:

  a. *Formalization*—a concern with formal rules and procedures (e.g., Pugh, Hickson, Hinings, & Turner, 1968; Hall, 1991)

  b. *Tradition*—the extent to which established ways of doing things are valued (e.g., Coch & French, 1948).

- The emphasis of the **Open Systems Model** (external focus and flexible orientation) is on readiness, change and innovation, where norms and values are associated with growth, resource acquisition, creativity and adaptation. Climate dimensions which are likely to reflect this orientation are:

  a. *Flexibility*—an orientation toward change (e.g., Garrahan & Stewart, 1992; King & Anderson, 1995)

  b. *Outward focus*—the extent to which the organization is responsive to the needs of the customer and the marketplace in general (Kiesler & Sproull, 1982; West & Farr, 1990)

  c. *Reflexivity*—a concern with reviewing and reflecting upon objectives, strategies, and work processes, in order to adapt to the wider environment (West, 1996, 2000).
The primary emphasis in the **Rational Goal Model** (external focus and control orientation) is on the pursuit and attainment of well-defined objectives, where norms and values are associated with productivity, efficiency, goal fulfillment, and performance feedback. Climate dimensions which might reflect this model are:

a. *Clarity of organizational goals*—a concern with clearly defining the goals of the organization (e.g., Locke, 1991)

b. *Effort*—how hard people in organizations work towards achieving goals (e.g., McCaol, Hinsz, & McCaol, 1987)

c. *Efficiency*—the degree of importance placed on employee efficiency and productivity at work (e.g., Ostroff & Schmitt, 1993)

d. *Quality*—the emphasis given to quality procedures (e.g., Deming, 1986; Hackman & Wageman, 1995)

e. *Performance feedback*—the measurement and feedback of job performance (e.g., Annett, 1969; Kopelmann, 1986).

**1.4.6 Outcomes of Organizational Climate**

A large number of studies have been conducted on the outcomes of organisational climate. Forehand and Gilmer (1964) suggest that organisational climate significantly influences the behaviour of organisational members. In addition, Litwin and Stringer (1968) have demonstrated that employees with a given motive work at their best when organisational climate is conducive for that motive. Moreover, Walton (1973) has reported that organisational climate influences the *quality of work life* in the organisation. Patterson, et al. (2005) has reported that organisational climate has several important outcomes at *individual, group and organisational levels*. For instance, organisational climate impacts *leader behaviour* and *turnover intentions*, has the power to influence *job satisfaction* (Mathieu, Hoffman & Farr 1993), *individual job performance* (Brown & Leigh 1996), and *organisational performance* (Patterson, Warr & West 2004). It is important to
understand the significance of connection between organisational climate and the ‘bottom line’. The profit manifests at the end of performance. It can be predicted with some confidence that organisational performance will be poorer when the organisational climate is dysfunctional and organisational performance will be higher when the organisational climate is functional. Unlike profit (which is a lagging indicator of organisational performance), organisational climate is a leading indicator of organisational performance (Litwin, Humphrey & Wilson 1978). Furthermore, organisational climate helps in determining organisational success (Burton, Lauridsen & Obel 2004), and is important for achieving managerial effectiveness (Gunbayi 2007). Organisational climate indicates how well the organisation is realising its potential (Gunbayi 2007). The construct of climate has been studied extensively and has proven useful in capturing perceptions of the work context (Denisson, 1996; Ostroff, Kinicki & Tamkins, 2003). Sagie,(2002) and Udogo,(2008) admitted that communication, problem solving, decision making, learning and motivation all can be affected by the organizational climate, which in turn might have impact on the effectiveness and productivity of the organization as well as the work environment and employee well being in the workplace.