CHAPTER 1
INTRODUCTION

Industrial Psychology as one of the applied disciplines of psychology, is defined as the application and extension of psychological facts and principles to the issues and problems concerning individual human beings at work. As times went by, various sub-fields emerged in association with different disciplines, one of which was Organizational Psychology. Organizational Psychology is an applied body of understanding of individual human behavior, within an organization - a complex social system. It is a field that has grown parallel to Organizational Behavior. Organizational Behavior is concerned with the behavior of people in organizations at individual, group and organizational levels. The key elements being - people, structure, technology and environment. All these factors influence and are influenced by each other. Our understanding of the behavior of people at work as well as our skills in using that understanding has evolved over a historical continuum, spanning over almost a century. With the advent of the 60's the fields of organizational psychology and organizational behavior have seen themselves fairly close to each other. Such an evolution is a movement towards a more comprehensive, more developmental, more realistic, more dynamic and more interdisciplinary, open and radical approach, breaking newer grounds and still evolving. The shift has been from understanding and dealing with the individual, as a member of his/her work group and the organization. The diagram on page number 2 is a translation of this view of organizational behavior.

Linkage Between Organizational Behavior And The Indian Economy:
The study of organizational psychology has a direct link to the economy of the country. Both have to do with the growth and success of people in organizations. The human factor is vital to both. Hence if one has to study what factors are contributing to the growth of an economy are, one can hardly ever overlook the contribution of "its people."
Diagram 1.1

The Role of Organizational Behavior

According to the Planning Commission, one of the major weaknesses that has emerged in the Indian Economy is its low productivity and its inefficiency in the use of capital. One of the major reasons for the under-utilization of installed capacity is the lack of proper appreciation of the fact that in the ultimate analysis, the source of utilization of all resources and economic developments as well as that of hurdles to them is traced to the human factor - The Indian People. (Ghosh and Ghorpade, 1991).
People is the most important and valuable resource every organization or institution has in the form of its employees. Dynamic people can build dynamic organizations. Effective employees can contribute to the effectiveness of the organization. Competent and motivated people can make things happen and enable an organization/institution to achieve its goals. Therefore, organizations should continuously ensure that the dynamism, competency, motivation and effectiveness of the employees remain at high levels. Human resource development is thus a continuous process to ensure the development of employee competencies, dynamism, motivation and effectiveness in a systematic and planned way. (Rao, TV, 1990)

Diagram 1.2
Interlinkages Between The Human Factor And National Growth

EXTERNAL ENVIRONMENT

<table>
<thead>
<tr>
<th>INDIVIDUAL</th>
<th>ORGANIZATION</th>
<th>ECONOMY</th>
<th>NATIONAL GROWTH</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resources</td>
<td>Mobilizing resources</td>
<td>Stability</td>
<td>Free Flow of resources (man &amp; material)</td>
</tr>
<tr>
<td>Education</td>
<td>Achieving excellence</td>
<td>Utilizing resources effectively</td>
<td>Competitiveness and open market</td>
</tr>
<tr>
<td>Effectiveness</td>
<td>Organizational effectiveness</td>
<td>Globalization</td>
<td>Increase in GNP</td>
</tr>
</tbody>
</table>

- The basic unit of growth and development can be traced back to the individual
- All other physical and tangible resources can be tapped and mobilized via the effective utilization of personnel
- Excited, motivated, energized, competent and effective individuals are a key to National growth and success
- National growth (macro level) and individual growth (micro level) are inseparable.
The objective of development is people. The process of development may be measured in economic aggregates or technological and physical achievements. But the human dimension of development is the only dimension of intrinsic worth. For a long time, it has been increasingly neglected. The economic difficulties of recent years have led to increased poverty, unemployment, have forced governments world over to fall back on the human factor. (Haq and Kirdar, 1986)

It is essential that the human dimension be clearly recognized as the essential objective of economic development as well as a critical input to all economic activity. While GNP remains important as a vital source of achieving human fulfilment, it is necessary to adopt new indicators which explicitly and centrally incorporate the human dimension to measure country performance in this area.

The human factor plays a key role to regulate the economy of the country. It is vital in:

1) Providing more effective use of resource.
2) Allocation and management of resources.
3) Increasing the total resources available in all areas. (Haq and Kirdar, 1986)

Indian Economy and the World:

No country can remain isolated in today's world and India is no exception. In fact, the state and development of India's economy is inextricably inter-linked with direct and indirect consequences with what happens in and in relation to the rest of the world. Two important economic aspects that determine the economic conditions of a country are - international trade and foreign debts as well as balance of payments. The new economic policy is characterized by mass globalization and internationalization of trade thus implying direct competition with the world. If India has to survive and last in the Indian market it has to compete in both quality and cost to international standards. For any developing country of the third world this is a very big challenge.
Importance of the Human Factor in the Organizational setup:

Indian Organizations, Behavioral Scientists and Economists are fast realizing the importance of human factors as a dividing line between success and failure of the economy. With globalization of trade and opening up of the market, the whole concept of investing in people seems like an idea whose time has finally come. Investing in people is about helping companies to realize the value of their most potent investment - 'their own people'. (Critten, 1993).

Most of the successful companies have already started asking themselves the following kind of questions:

- How to manage and use people in a way that will contribute to improved performance.
- How to plan and organize the development of people so that they are able to contribute fully to the success of the business.
- How to develop and use people so that they can become a real and flexible source of competitive advantage.

The motivation of individuals is crucial to any organization. It is individuals who are selected, assigned, inspired, appraised, compensated and guided. It is among individuals that interpersonal conflicts occur and are resolved, differences are mediated and tensions are ameliorated.

Even when attempting to understand the differentiation and integration of a group it has to be done in a context to individuals. Certainly, if one has to deal with stress, an increasingly widely recognized organizational phenomenon, then one has to understand what precipitates stress for individuals (Lorsh, 1987).
As every field of science has a foundation of basic concepts to guide its development, Organizational Behavior has a set of fundamental concepts. These revolve around the basic assumptions regarding the nature of people and organizations. The assumptions are as follows:

- **All individuals are distinct**: Hence the management can get the greatest motivation among employees by treating them differently.

- **The whole person is employed**: This includes the person’s skills, knowledge, emotional and physical conditions.

- **Motivated behavior**: Two ways by which employees can be motivated are to show them how certain actions will facilitate their need fulfillment or threaten deprivation or reduction of need fulfillment, if they follow an undesirable course of action.

- **Value of persons**: This recognizes that people are of a higher order in the universe than other factors of production and hence need to be treated differently.

- **Social Systems**: Organizations are social systems and their activities are governed by social and psychological laws. It recognizes that people have psychological needs and that groups and individual drives influence behavior.

- **Mutual Interests**: Organizations are formed and maintained on the basis of some mutuality of interests among their participants. *(Ghosh and Ghorpade, 1991)*

All the above six fundamental concepts provide a wholistic concept of organizational psychology. With this perspective, issues related to organizational psychology should be analyzed in terms of the total situation affecting rather than isolated events or problems.
An understanding of individuals is crucial to the understanding of groups. Individuals in groups are still individuals, and though a group may demonstrate phenomena beyond those of individual persons, never the less that behavior is the result of the behavior of individual members of the group. What happens in the group is not a negation of individual behavior but an addition of it, that is a product of individuals taken collectively. Much of the fundamental theory of group functioning is drawn from individual psychology.

Both individually and collectively people unconsciously bring to organizations attitudes and expectations that are akin to those they have developed towards their parents as reflected in the conception of the psychological contract. Individuals unconsciously and symbolically treat organizations as recapitulations of the family structure in a given culture, and organizations in turn treat their members as if the individuals were in some way bound to the group by familial ties (Lorsh 1987).

The current industrial scenario has generated an immediate need to understand the roots of human behavior and link it to the needs of organization, in an attempt to match wits with the developed countries. The current study is an attempt to seek an answer to the question: What determines a persons success or effectiveness in an organization? According to Boyatzis' "skill, dexterity and knowledge of the population has become a critical input that determines the rate of growth of the economy and the well being of the population" (Boyatzis, 1981, pg. 1)

Boyatzis' study aimed to determine which characteristics of managers are related to effective performance in a variety of managerial jobs and organizations. The main focus of the study was to explain some of the differences in general, qualitative distinctions of performance which occur across specific jobs and organizations as a result of certain competencies which managers share.
Boyatzis proposed a model to explain what the factors that influence competency at work were. The graphic representation of the model of effective job performance suggests that effective action and performance occurs when all three of the critical components are consistent or 'fit'. It is an adaptation of the classical psychological model of behavior given by Mc Clelland 1971.

Diagram 1.3

A model of Effective Job Performance

The individual's competencies

Effective specific actions of Behavior

The job's demands

The organizational environment


The individual's competency is an important determinant of the ultimate performance. When an individual joins an organization he brings to the organization his relative strengths and weaknesses that are manifested conditional to the job demands and the organizational culture.
Thus an individual's performance is an output of the complex interaction between his personality make-up, (which includes his skills, motivation, etc.) jobs demands and the organizational culture.

Internationalization of trade has given greater mileage to studies related to the individual and his ultimate performance. Finding the right person for the job, has become just as difficult, as it is critical to the success or failure of the business venture. Human resource development software, have been created to meet the human resource requirement of their organization. The aim is to identify characteristics which determine whether the person can perform a given task successfully or not. Besides just selection and identification of the right person for the right job, such H.R.D. activities can also identify and put into use information useful in employee appraisal, training programs and counselling for more satisfying results. These tools have specially become relevant today because the H.R.D. departments are well aware that interviews and bio-data are not always very effective at arriving at a correct estimation of anybody's true capacities and capabilities. Thus such instruments could be useful weapons in the arsenal of internationalization, in improving their battle preparedness. Certain factors especially relevant to the Indian organizations have to be kept in mind in deciding the application of such studies:

- Since manpower is freely available in India as compared to the other developed countries, companies have a vaster choice to select the most appropriate person for a given job.

- Besides easy availability of manpower, educated unemployment is also on the increase. Today, companies do not only look for a well qualified person but more importantly the right 'cultural fit'. The values of the person and the company should match, hence it is possible, companies may not actually look for people from the most elite institutes.
The focus today is on excellent performance and perhaps there is no better example of the application of the theory "the survival of the fittest", than in the current industrial scenario. Words like "key result areas", "performance appraisals", "career pathing", have gained significance, thus focusing on human excellence and on change and innovation.

The Human Resource Development departments have become the driving force of successful organizations. Selection, Placement, Induction, Performance appraisal, Succession planning, Career pathing and Training have become very crucial Human Resource Development interventions with the emphasis on down sizing and flattening of organizations.

Today most of the successful organizations have a strong H.R.D. department to back the other departments in their day-to-day functioning. The cut-throat competition in the corporate world is a great leveler. Ironically, when every organization is stocking-up on the state-of-the-art technologies to the thinning marking and growing number of challenges, it is the human resource pool at the command of the organizations, that determines the competitive edge. The individual has thus become a vital component of the organization. Perhaps, never before has there been so much importance given to the human factor, as is being given now.

The Current Status Of Personality:

The above discussion brings us to the topic of personality. The term personality in English language is derived from the Latin term "Persona". Originally it denoted the mask worn by theatrical players in ancient Greek dramas. Thus the initial concept of personality was that of a superficial social image that a person adopts in playing life roles - "a public personality" (Stagner 1981)
Though personality has received considerable importance from psychologists and other behavioral scientists, it is one of the most controversial topics, for very few significant findings have emerged as yet. Weiss and Adler (1984), argued that research on personality in applied settings, inadequate conceptual development and poor methodology surfaced. Lack of findings in the past can be attributed to the following:

a) Misconception of the model by anticipating direct affects. Research on personality has been very mechanistic assuming a clear cut distinction between the independent and dependent variables.

b) Inadequate statistical power.

c) Contamination of measures by relying on self report or observational method only. (Staw and Cummings 1990)

Though research studies on psychology goes back to early times, the application of performance theories in the understanding of organizational psychology is fairly recent and it is still growing. People interested in organizational psychology are guided by the four given orientations:

1) Practicing managers have always dealt with Organizational Psychology in an ad hoc, trial and error manipulation or exchange of one or another variables.

2) Some observer have followed a more refined method of describing the formation of norms, group practices, ethnic differences and similar features and their relationship to productivity, power and environmental circumstances.
3) Perhaps the most widely practiced orientation is the empirical correlation. Certain variables are defined and statistical measures representing them are then correlated to other measures of dependent variables and classes of behavioral outcomes.

4) Finally there are those researchers who believe that interpersonal, group and organizational behavior are best understood on the basis of a comprehensive conception of the individual person. This brings us to the personality theory, which is based on the premise that all behavior can be understood in context to the individual person in all his diversity. The basic assumption underlying the personality theory is that one cannot have an adequate macro-theory that purports to deal with behavior unless one has an adequate micro-theory. (Jay Lorsh 1987).

Several definitions of personality have been attempted by different psychologists. One common factor among the definitions is that personality is either treated in terms of its 'social stimulus value' (the effect one has on others), or those which emphasize response (what the person actually does). An attempt to use personality as a stimulus for scientific research immediately encounters problems. If the definition is applied strictly, each person to be studied has virtually unlimited number of personalities. Thus the stimulus definition of personality makes precision impossible.

In an attempt to get away from the difficulties which result from the definition of personality in stimulus terms, many psychologists have shifted to the definition of personality as a response. This definition also poses shortcomings because of the fact that the same response may have different meanings for the same person at different times, and for different persons in what seems to be the same situation.
Personality as an intervening variable. A synthesis of the above approaches may be developed from viewing personality as the intervening variable. It is now a truism in psychology that a stimulus does not immediately and automatically elicit a response. A stimulus affects the organism as a whole, and the ultimate response is a function of both the stimulus and the organism. There are certain intervening variables between the stimulus and the response which affects the nature of the final behavior pattern. Such variables are the person's intelligence, his motives at the moment, his past experience, with the stimulus and his attitude toward the situation in which the stimulus appears. Thus if the stimulus is an invitation to a film, variables that will influence the final response might be - your wish to get away from home, your desire to see the film, your financial position, your need to study for the approaching exams and so on. The decision you reach will be a function of these forces (may not be at the conscious level). Another person may reach the same conclusion, but for entirely different reasons. The role of personality as an intervening variable can be explained by the model given by Stagner (1974.)

Diagram 1.4
Model of Personality as an inner pattern

Source: Stagner 1974, pg. 11
The diagram suggests that personality is an inner pattern. Personality can be viewed as an intervening variable between S (external Stimulus) and R (the overt response). S arouses s (sensory process) which gives rise to p (perception of the external event and its meaning) and c (cognitive classification of this situation). In addition, S triggers e (emotion) and m (motive). These processes converge on d (discrepancy between preferred steady state ss and present situation). From the d the individual derives a (aspiration from some goal), and this leads to r (response tendency of intention). However, external blocks may prevent r from being converted into R.

Let us understand this model of personality as the intervening variable with the help of the same example of a person deciding between going for a film or not. The S is friends asking you to come along for the film. The R is your decision to go for it. Friends arouse s (sensory process) that is you are tempted / excited to see the film which gives rise to p - you perceive the proposal and c cognitively evaluate the situation. In addition, S triggers e (emotion) in the form of excitement and m (motive) to get away from home. These processes converge on d (discrepancy between the steady state - ss and the present situation) that is the conflict between staying home or going for the film and this leads to r (response tendency) of going with your friends for the film. However it is possible that external blocks in the form of confrontation and resistance from parents, lack of money may prevent r from going for the film thus S from being converted into R.

The above example combines all the three definitions of personality. The individual's social stimulus values depends upon his responses, and these are determined by the perceptual, cognitive, emotional and motivational systems, in short his responsibility.

The above analysis indicates that personality cannot be observed directly. We observe the resulting response and try to infer inner systems which would explain the occurrence of this response. Each one of us can go through this procedure, and develop a theory about the inner system of each person one knows well.
Applying this theory in the organizational setup, organizations make judgments about their people's personalities which in turn helps them to understand their relative strengths and weaknesses. The value of the theory is indicated mainly by its success in predicting the response to that stimulus.

After an extensive analysis of the possible definitions of personality, Allport proposed formulations in terms of intervening variable. He defined personality as "a dynamic organization within the individual of those psycho-physical systems that determine his characteristic behavior and thought". A useful definition which is a revision of Allport's definition is: Personality is the organization within the individual of these perceptual, cognitive, emotional and motivational systems which determine his unique response to his environment.

If one is to describe personality one has to agree upon a set of terms and their meanings, so that one can picture the typical behavior to be expected of an individual who is characterized by such terms. Comparison and prediction of future behavior, become successful when made in a numerical form.

When we attempt to study personality, there are at least three ways to attempt the study of personality: -

1) We can study personality as a whole.

2) We can study the traits into which the total personality can be analyzed.

3) We can study individual differences with regard to such traits (Stagner, 1978).

Since there are so many different definitions of personality, there must be diverse approaches to study personality - depending upon what stand the behavioral scientist takes.
The formal statement of principles and procedures for measuring personality by scientific devices is a recent development, but the practical study and estimation of personality, dates far back into human history. There were primitive devices for eliciting evidence about personality. These were based upon crude theories of some shrewd individuals.

Any researcher undertaking research on personality is confronted by the problem of deciding the recording instrument to be employed. Stagner (1978) spoke of 4 different kinds of recording instruments used to make material on persons available for scientific analysis and theorizing.

1) *The scientist himself*. This scientist would interview, record, photograph and produce a theory or concept of a person's personality.

2) *The impersonal environment*. This involves studying people from their contributions, productions based on which inferences are drawn.

3) *The self*. The person may be asked to report moods, impulses, drives that form important data about the person.

4) *Another person*. The scientist can arrive at a valuable inference about the inner personality of a person from a verbal report made on him by his family members or friend.

The scientist could use two or more of the above methods in combination. What method a scientist ultimately uses is based on what theory of personality he believes in and how he views personality (as a stimulus, response or intervening variable). If the study defines personality as an intervening variable there are two classes of devices which can be used, namely: the personality questionnaires & inventories and projective techniques.
Personality questionnaires have been well known and are becoming more and more popular all over the world. These devices assume that the nature of a person's inner organization can be inferred from his answers to questions.

Assumptions of the Inventory Technique: Any technique which purports to measure some aspect of personality starts from certain assumptions about the relation of this aspect to an observable act. The inventories depend upon assumptions about the relation of the postulated underlying "trait" of personality to the act of answering questions about oneself.

Common traits: All inventories and all measurement techniques, which can be used to make quantitative comparisons between individuals assume existence of common traits. Common traits are assumed to be essentially similar structures in all personalities, scalable in the same unit. Thus it is presumed that sociability, self control, anxiety and other traits are common to the population being studied. One may therefore, make numerical comparisons within the population.

Qualitative nature of traits: It is assumed that traits can be estimated quantitatively by simply adding the number of indicators.

Relation to Inner pattern: It is assumed that there is some inner pattern, a 'trait' of personality and that, the statement made on the questionnaire reflects this; however the connection is by way of how the respondent perceives himself, not how he is perceived by others.

Types of inventories: Stagner (1978) reports of three types of verbal personality measuring devices which are classified as inventories.
1) A simple list of symptoms drawn from case histories of persons with some grossly observable personality pattern.

2) The second type of inventory is based on some theory of personality. However theoretically based inventories are not common, because many personality theories do not lend themselves readily to such test development.

3) The third type of inventory relies for its inner logic upon the technique of factor analysis. This method simply identifies an aspect of personality and devices a scoring scheme for allocating individuals to positions along the dimension from being very little to very strongly characterized by a given trait.

Some of the commonly used inventories are the Minnesota Multiphasic Inventory (M.M.P.I), Cattell's 16 P.F scales, Gygreis Dynamic Personality, The Semantic Differential Scale and The California Psychological Inventory (CPI).

After a good review of all Psychological inventories the researcher found the reliability and validity of the CPI appropriate and hence it was selected to study the personality of managers.

A good personality inventory is one which is high on reliability and validity. It should show high correlation between the personality score and ratings by a skilled therapist. It should be cross - validated with other valid criteria, peer and self-rating should demonstrate the validity of a test and finally it should have predictive validity (Stagner 1987).

Allen (1958) suggested that the four desirable attributes of a personality test are validity, reliability, objectivity and standardization.
In conclusion though personality questionnaires are popular and acclaimed they are not free from limitations. Some of the limitations are as follows:-

1) Personality inventories need to be used with caution because they are not infallible.

2) Unless introduced and administered under controlled conditions, they could produce inconsistent results.

3) Most of the inventories need skilled therapists or personnel to interpret them.

4) The person taking the test should be clearly stated the purpose of the test and should be encouraged to be candid and spontaneous.

5) External factors like noise, illumination, confidentiality and the likes should be controlled.

Due to the above quoted shortcomings of inventories, it would be unfair to lean completely on personality inventories because of the numerous extraneous factors and testing bias that could interfere with the final analysis and interpretation and hence contaminate results.

Rating Scales As An Instrument To Study Personality:

Rating scales is yet another technique useful in learning what impression an individual has upon the persons whom he has come in contact with to various aspects and characteristics of his personality. This very fact makes rating scales, a very suitable instrument for personal assessment and evaluation. Such scales can be instructed easily from a number of traits of human personality or for each single trait.
The judge, called the rater, judges how much of the trait under consideration is possessed by the person who is rated for it, called the ratee. Thus many scales can tell us a lot about the impressions a supervisor or some such person may have on various aspects of an employee's personality characteristics and working ability.

Judgment regarding other people is an integral component in the operation of any business or industrial organization, especially in the areas of personnel administration. As Knight (1923) pointed out, "that a personal opinion of another is a most useful instrument in the task of selecting employees or in making decisions concerning the promotion and dismissal of a worker". Objective tests according to Knight can never replace human beings, even if such objective tests are sufficiently improved (Robbins, 1967).

Buckingham (1924) has beautifully summed up the relevance of rating scales. He has suggested that, "there will never be a time, when our measurement processes will be so extensive that good judgment will not play an important part". (Robbins, 1962).

Reviews of self-supervisor, peer-self and peer-supervisor ratings have generally concluded that there is at best a modest correlation between different sources. Never the less, there has been much inconsistency across studies. Numerous advantages of using multiple raters has been cited, for example, enhanced ability to observe and measure various job facets (Borman, 1974; Henderson, 1984), greater reliability, fairness & rater's acceptance (Latham and Wexley, 1982), legal standpoint (Bernardin and Beatly, 1984). A number of scholars have argued that self-rating can promote personal development, improve communication between supervisors and other managers (Carroll and Schneider, 1982; Cummings and Schwab, 1973). (Harris & Schaubroeck, 1988).
Just as other techniques of measurement in social sciences are not completely infallible, rating scales are not flawless too. Some common sources of error that can distort evaluation by rating methods include:

1. The Halo effect.
2. Systematic Error.
3. Most Recent Performance Error.
4. Inadequate Information Error
5. Attribution Error.
6. Average Rating Error.

A review of the literature suggests that a number of explanations have been offered to explain low correlations between raters. They are as follows:

1. **Egocentric bias**: The underlying premise is that the ratee (or self) ratings are biased in some fashion, while other raters share a set of common conceptions. Secondly the ratee defensiveness may be moderated by other variables, such as self-esteem. The third bias is based on the premise of the Attrition theory, according to which, actors (self-raters) attribute good performance to their own behavior and poor performance to environmental factors. Conversely observers (superiors and peers) attribute good performance to environmental factors and poor performance to actors disposition.

2. **Observational Opportunities**: Lack of agreement across different raters concerns differing observational opportunities. Specifically peers are hypothesized to have more opportunities to observe raters and at more revealing times than do supervisors.

3. **Differences in Organizational Levels**: Some researchers have asserted that raters at different levels rate performance differently and secondly they even define and measure performance differently.
Ratings are based on the process of impression formation involved in them in which the rater assigns (or attributes) causes or reasons for his ratings and validate their objectivity. However the above shortcomings can be controlled to a very great extent by training the raters before they actually carry out the task of rating.

Despite the vulnerability of ratings to distortions of various kinds, raw ratings continue to be used both as a criteria and predictors in many test development exercises. (To ensure its objectivity to some extent a reliability correlation between inter-rates can be worked out) (Pareek, ICSSR report pg 19).

The best combination in measuring performance would be to use questionnaires and rating scales complementary to each other. This way the validity can be determined by obtaining the correlation’s between the test scores and the validity coefficients for the ratings.

**Linkages Between Personality And Performance:**

The focus of this study is on the relation between personality potential and how it manifests itself through performance. The study looks at managers to see how they influence and operate within the environmental influence of the organization. Although all people in the organization such as clerks, operators, accountants and managers are concerned in performing their respective tasks, and influence each other, the managers tend to have a larger responsibility because of their decision and action affect many people throughout the organization.

Thus, managers have a greater share in influencing the people’s behavior in an organization. Managers aim to build a climate in the organization which encourages people to be motivated, collectively productive and be more effective persons.
Certain abilities and characteristics of the person enable him to demonstrate specific actions at work. These competencies represent the capabilities individuals bring to the job situation. When the responsibilities of the job to produce the desired results require the demonstration of specific actions at work the individual draws from his inner resources, in an attempt to match efforts with work demands. These requirements are considered the job demands on the person. All this occurs in context of an organization. The organizational culture is represented by its policies, procedures, strategies, all this contribute to the internal organizational environment. Thus managerial performance is determined by the interaction of several variables operating in the organization at any given time. The direction and the degree to which the factors would influence the manager would depend upon the individual's sensitivity level, his motivation, intelligence and his potential.

Measurement Of Performance:
The problems encountered when one wants to study performances are to do with the measurement of performance. Certain jobs allow easy assessment of performance in an organizational unit. For example performance can be measured by measuring the output in a stipulated time period. The problem of assessing performance of a person on a job and determining what constitutes effectiveness and ineffectiveness requires understanding and measuring a number of factors at the same time. The most difficult task faced by psychologists is the quantification of performance thus making it incomparable between departments and organizations.

Some of the main reasons why performance is not easily accessible are given below:

1. Many jobs do not lend themselves easily to evaluation. On the other hand there are jobs where performance can be easily quantifiable. In the case of a research and development manager, an employee relation officer or a scientist, the performance of the above functions cannot be calculated by the output method level. On the other hand performance of a production manager and marketing managers' performance can be easily quantified.
2. The criteria of determining the level of performance may vary from company to company. Company X may have a lenient procedure for promotion, company Y may promote managers based on seniority, whereas come Z may base promotions on very stringent criteria of performance, thus making the task of measuring performance of managers a difficult one. The difficulty arises when performance is to be made quantifiable and objective. Besides this, factors like the size of the organization, its policies, the hierarchy, structure of the organization etc. make it more difficult for measurement of performance.

Then there are two general viewpoints in the measurement of performance - the input and output method. The task to measure performance in combination of both methods is difficult and baffling as both may not match. Behavioral scientists in order to overcome the drawbacks of both the input and output methods, have developed programs in an attempt to simplify this assessment. A linkage is provided in attaining specific objectives, on one hand and identifying certain competencies that the individual possess, which helps him to perform effectively on the job on the other. In order to generate a model that can measure performance, components of their relationship to some measure must be examined. A measure of performance that is currently in use in organizations only reflects effective performance as they see it. The use of such a measure does not confront the problem of potential short sightedness of the entire organization. Such a measure of effective performance emerges from an individual’s goal or a special ideal manager of an appropriate goal for the organization. Hence it may be theoretically or philosophically sound yet relatively subjective.

It is extremely challenging for organizational psychologists to derive an objective, universal method to study performances. A constellation of methods like rating scales, nomination by seniors, performance appraisals and performance inventories used in combination could yield best results.
At the onset of the research study there is some amount of confusion regarding the terms successful and effective in measuring performance. This dilemma was resolved by getting senior managers and academicians to define and explain in their own words what they understood by the terms effective and successful. A summary of the findings revealed that a successful manager is specifically individual related and hence a micro level concept, whereas an effective manager is more related at the organizational level and thus a macro level concept. Successful managers are defined by Luthans (1988) as those who have moved up informal hierarchies quickly whereas effective managers are defined as those who have achieved high levels of quality and quantity of work performances generating high levels of satisfaction and commitment among their employees. Competent managers are more related to the potential of a manager.

**Intellectual Discomfort:**

*Personality as an Intervening Variable:* Personality studies have never got the status they rightly deserve, perhaps one significant reason that comes to mind is the fact the personality is treated in a mechanistic way, putting it into a watertight compartment either as an independent variable or as a dependent variable. When one classifies anything in terms of a static status the focus gets reduced. The real meaning of the whole situation is completed if one considers the intervening variable in any situation. To put it simply, personality can be identified as the organismic variable in the S-O-R theory.

*Limited View Of Indian Research:* Indian researchers have not shown much interest in undertaking research in the management area based on personality studies and even though work has been done, very little has been published. Some of the researchers had started with studying personality but unwarily shifted to more subjective evaluation. The present study is aimed at supplementing more qualitative and quantitative analysis in continuation to a few Indian studies in the past.
The results of the present study are interpreted both quantitatively and descriptively thus aiming to increase the objectivity of the study and enhance wider applications in the management field.

*Rating As Another Technique*: In spite of limitations and shortcomings of the rating method it has gained wide acceptance as a method in evaluating personnel in the field of management and industrial studies. The researcher was well aware of limitations of rating scales, hence the study does not lean on the rating technique. A pilot study was conducted into the objectivity of cross and self rating technique. Moreover the qualitative and quantitative approaches were both applied simultaneously, hence the results are comparable and conclusive.

*Evaluation Of Effective Performance*: Performance evaluation has been recognized as one of the most difficult measures to objectify. This is because of the confusion related to the method used to measure performance. The difficulty arises when one method is preferred over the other. Both are not free from their respective limits. Hence a combination of both the input and the output methods were used with an attempt to nullify the shortcomings of both methods.

*Emphasis On Task And Functions And Not The Individual*: Most of the studies on managers revolve around what duties and responsibilities they are expected to perform and then develop a model or image of what a competent manager is. Unfortunately, models based on tasks and functions analysis focus on the job and do not address the person on the job. In doing so the model includes details of the job activities but no mention is made of the characteristics that enable or enhance the likelihood of the person's performing the job. Hence these models are unable to establish a causal link between characteristics of people and performance on the job.
Discriminant Analysis: In the field of personality research where major significant findings have not emerged, there is a need to use more sophisticated statistical tools in order to raise the objectivity of the study. The current research employed discriminant analysis to objectify the predictability of certain personality factors and performance criteria in contributing to managerial effectiveness. The ultimate aim and a desirable attribute of a test is predictability. Discriminant analysis measures the level of predictability.

In the past studies on personality have either treated personality as an independent variable or as a dependent variable. The majority of studies have treated personality as an independent variable, the influence of which is seen by measuring the dependent variable.

The present study views personality as an interviewing variable. Let us understand it with an example. The stimulus ice cream does not elicit the same response from a particular individual always. How the individual would respond to an ice cream would be contingent upon his present state situation. It would depend upon the hour of the day (it would evoke a different response if the person is offered ice cream early in the morning than after dinner) it would depend upon his satiation level (whether the person is very hungry or not).

Hence it means that there is something between the stimulus and response that takes place to determine the nature of response. If it was not so then an ice-cream would elicit the same response always.

After going through a number of research studies and the corresponding constructs related to the topic on personality and managerial performance, certain other variables such as - personal, situational and demographic variables were identified as variables likely to influence personality and performance.
Variables Under consideration:

**Upbringing and Family System**: Garg and Parikh (1976) hypothesized that "the parameters of role concept inherent in the earlier ascription, social identity seems to be deeply ingrained and internalized through childhood experience" (Parikh, 1976). When an individual joins an organization he brings with him those socialization skills and interpersonal communication skills which were developed under his family's influence.

According to Chaudhary (1971), "the tradition of the joint family system permeates into our working institution and quite often the reaction of people, even managers, to situation of certain kinds are influenced by the norms of the joint family". Parikh (1976).

**Educational Qualification**: The educational system ranks next to the family in terms of importance for personality (Stagner, 1974). Educational qualification influences both personality and managerial performance. Family, parental expectations and education mould the person in many important aspects. The encouragement helps develop a consistent self image. Discipline in the form of reward and punishment guide the conscience and ego development of a person.

**Personality and Occupation Choice**: Being in a certain occupation may modify one's personality but conversely, the young person with certain traits may selectively choose his occupation. In the first case, occupation is an independent variable in the second, personality is the independent variable. There seems to be some kind of an inter-relation between job selection and interest pattern of an individual. The four most likely situations could be as follows:

1. If the person likes certain situations, he will seek these, and so will be exposed to some occupation but not others.
2. Interest leads to exploratory manipulations, hence to early acquisition of skill and presumably to improved chance of success.

3. If pursuit of an occupation forces one into disliking situation, he will be disposed to quit, seek a more congenial location.

4. If a person does what he likes, he will probably exert more effort and hence be more successful.

Follow up studies of persons twenty years or more after taking the 'Strong test' indicate clearly that a person's chance of success is definitely related to his interest pattern. Strong has demonstrated that interest pattern in college have a high predictive value for later occupation. (Stagner, 1978)

In keeping with the above discussion it is difficult to conclude the status of personality, as the status changes depending upon the nature of the problem. The nature of the problem would depend upon what theory one believes in and accordingly the recording instrument used. The statistical tools to be used would differ too.

Birth - Order : An integral part of Adler's theory has been the importance of behavioral organization on personality. The following characterization of individuals in specific ordinal positions (Eckstein and Driscoll 1982) are based on group composites and are provided merely as guides for consideration as it is for classification. The eldest child or the first born receives the parent's undivided attention until another child is born. Usually he is conforming to the parents' standards as he or she does not want to lose their favor. As a result of these desires to meet adult standards the child becomes quite responsible.
Oldest children frequently are ambitious and anxious to achieve, often serving as pace-setters for the other children of the family. Disliking change they generally develop conservative viewpoints. In addition, they are authority-oriented, tending to relate better to adults than to peers.

The index or the middle child enters into a situation in which the older sibling has been the center of the parent’s universe. Consequently, he or she usually tries to overtake the first by competing in areas in which the oldest child is not proficient. The middle child is more sociable than the oldest child. He or she is also often much more sensitive to injustice, unfairness, feelings of being slighted, abused or of having no place in a group.

The youngest child, unlike the oldest and the middle child is never dethroned. The youngest child discovers many ways of inducing the parents and other siblings to do things for him/her. The youngest child is often ‘spoiled’, and usually the most powerful person in the family.

The only child is similar to the youngest child in that neither experience displacement. The single child may refuse to co-operate when his or her wishes are not granted and may in fact grow up to expect a special place in life without having earned it. The only child usually establishes better relationships with people much older or much younger than their peers, experience difficulty in sharing and often become loners.

In conclusion it can be stated that to what extent the above factors influence managerial performance is very difficult to state as no statistical data is available to accept the above given factors. Yet they would be considered in the study because they are based on certain observations and have not just been considered otherwise. What role they play in explaining performance is to be seen.
Objectives:

The primary objectives of the study was:

1. To study the personality profile of effective Indian managers and less effective Indian managers in relation with some suitable variables.

2. To establish the reliability of rating scales as a criterion to study personality of managers.

3. To study the congruence between self-rating, cross-rating and actual test scores of Indian managers.

4. To study the congruence between the criteria of managerial performance used in the study namely: nominations by senior managers, managerial performance rating scales and the managerial potential scale of the California Psychological Inventory.

5. To trace the relationship between personality factors and managerial performance.

6. To investigate the possibility of predictive output based on the assessment of personality dimensions and managerial performance effectiveness across various groups of managers.