CHAPTER - II

CONCEPTS
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It is very important to define the concepts used in an investigation. Present investigator has made an endeavour in this chapter to define the following concepts operationally for the purposes of this investigation. Important concepts used in the present study are job performance, organizational climate and Managerial Style. An attempt would also be made to define various kinds of managerial style i.e. Authoritarian, Bureaucratic, Participative, task-oriented and Nurturant task etc.

JOB PERFORMANCE

The job performance is the output of a job activity, how well a person does in meeting the demands of his or her job. The individual's work effectiveness is a multiplicative function of his motivation, his skills and abilities, and the accuracy of his perceptions as to what the job calls for. Work motivation is effort expended towards organizational objectives. Motivation contributes to performance. Many hard working employees fail to achieve high performance because they are deficient in such characteristics as problem solving ability, special skills, appropriate training or experience. Besides this, technology also mediates the relationship between motivation and performance. Without the appropriate tools, machines and equipment, high motivation will rarely lead to high performance.

The conditions under which a person will be motivated to work and under which he will not is also important. The conditions
under which people will be willing to engage in creative, change-oriented behaviour and under which they will accept rather than will be hostile is also important.

The explanation of why some people are good performers and other poor performers has provided, a major impetus for study of work motivation and job performance. Motivation is essential for the operation of organization. No matter how much machinery and equipment an organization has, these things can not be put to use until they are released and guided by people who have been motivated.

In an organization, motivation turns on the power to keep the organization going. Almost every organization has some form of goal setting or planning in operation. The characteristic of goals and importance of goal setting lead to improved performance.

The basic premise of goal-setting is that behaviour is regulated by values and conscious intentions (goals), by Gary P. Latham and Edwin A. Locke (1979). A goal is defined simply as what the individual is trying to do. Our values create a desire to do things consistent with them. People with a strong work orientation will tend to set high goals and will work diligently towards their attainment. Hard (difficult) goals result in a higher level of performance than no goals at all or generalized goals as "try hard". The goals toward which the individual works seem to lead to improved performance whether these goals are set by the person or by the organization.

 Obviously not all goals work as well as other goals. It is therefore important to examine several characteristics or attributes
of goals that mediate whether or whether not they lead to improved performance. Setting specific goals for work performance generally leads to improved productivity. A specific goal is helpful because, it pinpoints where performance should be directed. One relevant study of the effects of specific goals on performance made by Gray P. Latham and Sydney B. Kinne III, (1974). The researchers investigated the effects of a one-day training programme in goal setting on job performance. Multiple measurements of performance were used, and the study was conducted for twelve consecutive weeks. The results showed that the workers who set specific production goals for their crews had higher productivity and lower absenteeism than did those crews in the control group who were told to "do your best".

Employees, who participate in setting their own goals will work harder to achieve them, than will employees who are simply assigned goals. Perception in goal setting leads to improved performance because it increases goal acceptance of "ownership".

Employees also hold certain beliefs about the "out-put" they get from their jobs and the "in-puts" they invest to obtain certain outcomes. When they believe that they are receiving equitable "out-put" in relation to their "in-put" they are generally satisfied. Conversely when employees believe that they are giving too much as compared with what they are receiving from the organization, a state of tension and dissatisfaction ensures.

Greg R. Oldhem and J. Richard Hackman (1976) have identified five measurable characteristics of jobs as-skill variety, task identity, task significance, autonomy and feedback. When
these characteristics are present, are said to improve employee motivation, satisfaction and performance. Statistical analysis revealed that employees with more enriched jobs generally reported greater job satisfaction and received higher performance ratings from their superiors.

Job performance is not simply a matter of a person wanting to do well. There are at least two other factors which seem to be relevant. First, he must have the necessary skills and abilities for the given job, and the second factor is the perceptions of the behaviour requirements of the job. The basic abilities brought to the organization by employees are an important determinant of their future job performance. A person's abilities are an essential part of his or her makeup. Without care of abilities, there would be very little a person could contribute to help an organization to reach its goals. Satisfactory or better performance will not be attained unless a person has the appropriate abilities to perform the task at hand. Abilities are necessary but not a sufficient condition for achieving performance. Performance is the multiplication of effort and ability. Ability reflects one's capability to perform, effort reflects how vigorously one will apply that capability.

Aptitude and ability are related concepts. An aptitude is basically a native ability to perform some task, and an ability is a current capacity to perform a task or set of tasks. Abilities refer to a broad range of individual characteristics such as problem solving ability, mechanical ability and communication skills—by Ernest J. Mc Cormick and Daniel Ilgen (1980). The ability sought
could include a general ability, or aptitude, such as intelligence or problem solving ability. Employees of high intelligence are especially valuable because they tend to perform complex tasks better than their less intelligent counterparts and they learn new tasks more quickly.

Intelligence is one of the major differences among people that affects job performance. The term intelligence refers to problem solving ability. Intelligence is not a pure characteristic, it includes a variety of specialized aptitudes that contribute to problem-solving ability. Problem solving ability is related to good job performance in a wide range of occupations. Chiesselli (1973) examined the relationship between intelligence and job performance in eight different occupational groups, manager, clerical jobs, sales clerks, sales men, protective occupations, service occupations, vehicle operators, and trades and crafts. Intelligence showed a significant relationship to performance for all these groups except sales clerks. The research showed, that intelligence and job performance are linearly related, that job performance increases directly increases in intelligence.

Another important job-related ability is mechanical ability. Although most mechanical jobs also require physical skill, mechanical ability refers to the cognitive aspects of those jobs. Mechanical ability is to consist of two classes. One of these is the comprehension of mechanical relations, the recognition of selecting the right tool. And the other class is the perception and manipulation of spatial relations - Leona E. Tyler (1965).
MANAGERIAL STYLE

In the field of organizational psychology the concept of leadership style (managerial style) is given considerable attention. Leadership occurs only when a person tries to influence his subordinates to accomplish some organizational goal.

A manager is responsible for performance, responsibility and performance are the key words in defining a manager's role. Performance implies action, there is no universally accepted approach to leading followers. Effective leadership is necessary for organizational effectiveness and the performance of employees. Every manager is a leader in the sense that he has to influence his subordinates to work willingly for achieving the organizational objectives and inspire them to put in their best effort. In other words, leadership is the ability to induce others to seek defined objectives enthusiastically. It is the human factor that binds a group together and motivates it towards goals.

DEFINITION:

A leader exerts influence over others, and leadership is defined as "it is the activity of influencing people to strive willingly for group objective by George R. Terry (1960)."

Koontz and Cyril O. Dennel (1959) stated that "Leadership is influencing people to follow in the achievement of common goal".

According to Robert Tannenbaum, Irving R. Weschler and Fred Massrik (1959) leadership is "interpersonal influence exercised in a situation and directed through the communication process, towards
the attainment of a specialized goal or goals".

In general the leadership is a very broad concept. It seems from definition that leadership must take place within the context of a group. Leadership can occur any time anywhere when one tries to influence others. Effective leadership depends upon the demands of the situation. The major variables which affect the leadership process are: personal characteristics, such as in the leadership role, the group of people whom he attempts to influence, and the situation in which the group and the leader are placed.

Leadership and management are not synonymous. Management is a special kind of leadership applied to the organizations to accomplish organizational goals while leadership is the activity of influencing people to strive willingly for group objectives. The main emphasis in this investigation is on leadership of organizations, which is called management. Leaders exercise their styles on the basis of certain power they had.

THE POWER BASIS:

In any discussion of supervision, one must come to grips with the notion of power. Power includes the personal and positional attributes that are the basis for a leader's ability to influence others. The description of power basis is as follows:

1. REWARD POWER: The potential of a leader to mediate or dispense rewards to a subordinate is reward power. This is a demonstrable source of power of the leader. If rewards valuable to the subordinate can be controlled, the behaviour
of that subordinate can be influenced.

2. COERCIVE POWER: The potential of a leader to mediate or dispense punishments to a subordinate is coercive power. It was the "hire and fire"; the power to "fire", is of course, an implied threat and a form of coercive power.

3. LIGITIMATE POWER: The right of a leader to influence a subordinate, and the obligation of a subordinate to accept that influence is legitimate power. McGregor (1967) referred to this as the "right" to govern, or the "consent of the governed".

4. REFERENT POWER: The identification of the subordinate with the leader is referent power. In this case, the subordinate accepts the leader goals as his own. McGregor refers to this form of power as the "power of example".

5. EXPERT POWER: The knowledge or expertise that a leader has in a special area is expert power.

Effective leadership depend upon the demands of the situation. If we want to consider leadership, we have to consider the abilities of the leader, the motivation of the leader, the organizational context in which the leading is done, the nature of the work group, and so on.

TYPES OF MANAGERIAL STYLE:

1. AUTHORITARIAN STYLE: An authoritarian leader centralize power and decision making with themselves. The leader takes full authority and assume full responsibility. The authoritarian leadership provides strong motivation and rewards. It permits quick decisions, because only one person decides for the group.
Frustration, dissatisfaction, fear and conflict developed easily in authoritarian situation. Employees may feel that they are producing because they are required to do so, not because they are motivated to do so.

2. PARTICIPATIVE STYLE: Participative leaders decentralize authority. Participative decisions arise from consultation with followers and their participation. The leader and group are acting as a social unit. Employees are informed about conditions affecting their jobs, which encourages them to express their ideas and suggestions.

3. NURTURANT TASK STYLE: A nurturant task leader is one who emphasises task accomplishment, structured expectation, explicit communication, goal orientation and purposiveness in the organization. At the same time he cares for his subordinates, shows affection, takes personal interest in their well being and makes them realize that they can grow and advance only through task-accomplishment and work involvement.

4. TASK ORIENTED STYLE: Task oriented leaders direct and closely supervise subordinates to make sure that the task is being performed up to their standards. A manager with this style is more concerned about getting the job done than about developing subordinates.

5. BUREAUCRATIC STYLE: Rationality and efficiency are the major attributes of the ideal form of bureaucratic style. Bureaucracy is based on specialized knowledge and is controlled by impersonal rules of governance. The ideal type of bureaucratic
style is seen as a rational system of power. Being subject to the rational system of power, the bureaucrate is pressed towards efficiency.

ORGANIZATIONAL CLIMATE

Organizations have a personality, uniqueness or climate of their own. Every organization has some properties or characteristics which are not possessed by many other organizations. However, each organization has its own unique constellation of characteristics and properties. 'Organizational climate' is the term used to describe the psychological structure of organizations or their sub-units. Climate is thus the feel, personality or character of the firm's internal environment. Organizational climate is also a cognition. It is a person's perception of a most of interacting variables that result in a judgement about the climate. The climate derives originally from the philosophy and goals of those who join together to create it. The philosophy and goals are implemented by leadership working.

DEFINITIONS OF ORGANIZATIONAL CLIMATE:

Since climate is one of the more intangible concepts of organizational behaviour it has been defined as follows:

Forehand and Gilmer (1964) defined organizational climate as "the set of characteristics that describe an organization and that (a) distinguish the organization from other organizations, (b) are relatively enduring over time, and (c) influence the behaviour of people in the organization."
According to Litwin & Stringer (1968) "the term organizational climate refers to a set of measurable properties of the work environment, perceived directly or indirectly by the people who live and work in this environment and assumed to influence their motivation and behaviour".

The concept of climate is thus akin to that of human personality, because it refers to a stable uniqueness about a given organization. Also similar to personality, climate is an abstraction. Its reality lies in how it is perceived by people, yet it does have behavioural consequences. Employees feel and work better in some organizational climate than in others.

INTEGRATING CONCEPT:

Although the concept of organizational climate is not well researched and widely accepted. It has value as an integrating concept in organizational behaviour. Gibson, Ivancevich & Donnelly (1979) write that organizational climate transcends individual and group dimensions and is experienced across many diverse structural units within the organization with a resulting impact on organizational performance. Climate can influence the outputs such as performance and satisfaction. Many individual, group, interpersonal, and macro factors influence climate, but climate also influences these factors. For example, creative people have an impact on an organization's climate, and climate can foster or discourage creativity.

ROLE OF CLIMATE:

Recently there has been a good deal of interest in studying organizational climate, and the studies fall into three categories.
First, there are studies that view organizational climate as an 'independent' variable - in other words as a factor which 'influences' such things as employee's satisfaction. Second, organizational climate has been treated as an intervening variable as between leadership style and employee performance or satisfaction. Finally a number of researches have viewed climate as a 'dependent' variable, and have analysed how varying such factors as leadership style seems to influence climate.

ELEMENTS OF FAVOURABLE CLIMATE:

Climate can range along a continuum from favourable to neutral to unfavourable. Several typical elements that contribute to a favourable climate are -

1. Quality of leadership
2. Amount of trust
3. Communication, upwards and downwards
4. Feeling of useful work
5. Responsibility
6. Fair rewards
7. Responsible job pressures
8. Opportunity
9. Reasonable controls, structure and bureaucracy
10. Employee involvement, participation.

Employees feel that the climate is favourable when they are doing some thing useful that provides a sense of personal worth. They frequently want challenging work, that is satisfying. Many employees also want responsibility. They want to be listed and
treated as if they have value as individuals. They want to feel that the organization really cares about their needs and problems.

**DIMENSIONS OF ORGANIZATIONAL CLIMATE:**

The nature of organizational climate became little clearer when Litwin and Stringer (1966) described the following factors which they felt comprised the construct of climate.

1. **Structure and Constraint**

   Situational structure was isolated as a climate dimension by Lewin, Lippit and White (1939). Litwin (1966) reports that structured definition of the situation tended to blur the relationship between moderate risk taking and high need for achievement.

   The structure of the situation - defined in terms of the "perceived" limitations of the task situation, the amount of detailed information available, and the constraints placed on behaviour--acts to reduce either the challenge of the job or the perceived worth of succeeding at the job.

   There are several major studies of business organizations that suggest that amount of structure is an important variable affecting individual and group behaviour (Lorsch 1964, 1966, Hall 1962, Woodward 1958). McGregor (1960) emphasizes the inefficiency and "demotivation" affects of the traditional organizational environment, with its reliance on high structure, authoritarian control, and strict job definitions. Fleishman and Harris (1962) point out that employee absenteeism, accidents and turnover are directly related to what we are calling structure.
2. **Emphasis on Individual Responsibility**

Another isolated climate dimension is emphasis placed on individual responsibility. Studies of business organizations emphasizing the importance of individual responsibility include those by Zaleznik (1958), Whyte (1955), Likert (1961), Vroom (1962) and Kornhauser (1964). Zaleznik speaks of the depressing and demotivating effects of "indifferent psychological environments" which leave the workers out of the decision making process. Argyris (1964) also emphasizes this climate dimension as crucial in integrating the individual and the organization.

The main thrust of Likert's new management system states that an emphasis on individual responsibility will lead to higher group loyalty, higher group flexibility, and higher group performance standards. *Likert 1961*, pp. 30-43; 119-130; 115-169.

3. **Warmth and Support**

The dimension of warmth and support is described by Litwin Stringer in the questionnaire, warmth as the feeling of general good fellowship that prevails in the work group atmosphere: the emphasis on being well-linked: the prevalence of friendly and informal social groups, and support as the perceived helpfulness of the managers and other employees in the group: emphasis on mutual support from above and below. McGregor (1960) views employee centred warmth and support as a necessary condition in "theory - y" management. Vroom (1964) labels in "consideration" and cites it as a major determinant of job satisfaction. Kahn & Katz (1960), Halpin
& Winer (1959), Fleishman (1959), and Katz, Maccoby Gurin, and Floor (1951) state that the employee oriented supervisor establishes a supportive personal relationship with his subordinates by being understanding and taking a personal interest in them. Halpin & Winer (1957) discuss the long term behavioural effects of "inconsiderate supervisory practices" and advocate supervisory behaviour "indicative and friendship, mutual trust, respect and warmth".

4. Reward and Punishment

Another property of the business environment, which is intimately related to the degree of warmth and support, is the perceived emphasis on reward versus punishment. A climate, oriented towards giving reward, rather than dealing out punishment, is more likely to arouse expectancies and achievement and affiliation and to reduce the expectancies of fear of failure.

Industrial studies have long emphasized the importance of incentives, rewards and punishments. Both White and McGregor (1960) point out the inherent fallacy of relying on ....... rewards to genuinely "reward" member of the organization. Too often the play check veils the real climate of punishment that is created by the day-by-day operations of the business.

5. Conflict and Tolerance for Conflict

A climate dimension that has received a great deal of study is the general posture of the organization and its members towards "conflict resolution" Lawrence and Lorsch (1967) feel
that the resolution in conflict is one of the important process involved in differentiation and integration of organizational functions.

**Blake & Mouton (1964)** have developed a managerial Grid which emphasizes the long-term effects of avoiding conflicts, compromising conflicts or confronting conflicts. **Argyris (1964)** argues that the most efficient way to handle conflict is by confrontation, from the point of view of both, the organization's productivity and the workers mental health.

6. **Performance Standards and Expectations**

Another climate dimension which is related to achievement behaviour is 'performance standards and expectations'. It is viewed by **Litwin & Stringer** as - "the perceived importance of implicit and explicit goals and performance standards; the emphasis on doing a good job; the challenge represented in personal and group goals."

7. **Organizational Identity and Group Loyalty**

In formal organizations not only is the individual member working in the presence of others, he is often working with them on a common task. Individual identification with the group goal becomes important. **Berkowitz and Levy and Harvey (1957)**, **Pryer and Foss (1959)**, **Hall (1957)**, and **Zander and Wolfe (1964)** have all studied the effects of different kinds of feedback patterns on individual performance, interpersonal orientations (such as feelings of trust, openness) worker satisfaction and group cohesiveness. It was found that emphasizing group loyalty and group goals increased group identity and led to improved performance,
less concern about personal rewards, more mutual trust and less strain in interpersonal relations.

8. Risk and Risk Taking

Another dimension of organizational climate that is particularly important in business environment is attitude towards taking risk. The risk aspects of business environments have long been discussed in business literature. Berg (1955) has emphasized the importance of creating a climate of risk taking at various levels of the organization (not just at the top). McClelland (1962) points out how the importance of work taking in business is related to the motivation of business executives.

Public Sector Industries:

Public sector industries are those industries, which are ruled and governed by the government itself.

Private Sector Industries:

Private sector industries are those industries, which are ruled and managed by the people privately.