CHAPTER-II

REVIEW OF LITERATURE

In the late 70s and the early 80s, there were a growing number of publications dealing with organizational development. Measuring organizational performance has always been an important area and it has undergone continuous development and modification. Since the inception of the concept, management experts as well as academicians have been trying to develop advanced methods of measuring it. On account of its growing importance, the subject has intrigued many scholars, management thinkers, economic theorists and many researchers to probe into the various facets of organizational development practices.

A number of studies have been conducted in India and abroad to study the development of organizational practices and theories. These studies have been reviewed critically with a view to understand the objectives, research methodology, research findings, etc. and to identify the gap that exists in the literature in this area.

Organizational Development encompasses a diversity of concepts and methods for changing organizations. Although several definitions of organizational development have been presented by different philosophers like Beckhard (1969), Bennis (1966), French (1969), Burke (1982), Michael Beer (1980), French and Bell (1990), Schein (1992), Luthans (1998), Robibins (2003), Ogundele (2005), Armstrong (2006) et al., the rapid and enormous growth of new approaches and techniques has blurred the boundaries of the field and made it increasingly difficult to describe.

Kant Ronald Kirk, (1970) identified essential principles and practices that help an organization to accept change. The identified practices are; how to establish, execute, monitor and measure a change effort that will benefit an organization and its customer.

The concept of partnering is a variation of team building and strategic planning and it was introduced in organizations to improve efficiency and effectiveness particularly in large construction projects. (Moore et al., 1992; Mosley et al., 1991). Used in the USA heavy construction industry in the private sector as early as 1984, partnering was first used by the U. S. Army Corps of Engineers in 1988. In 1990, partnering was adopted by the Corps to improve
organization-wide initiative, in response to federal budget cuts and also to improve organizational efficiency and contractor relations.

With respect to training, the impressions fall into two areas: the first, for Organizational Development hopefuls that are new to the field and second, for continual renewal for established professionals. Although we have Organizational Development Programmes in a few academic institutions, many do not go through formal education or training (Golembiewski, 2005). Tom Head (1993) provides a very scary description of an informal poll that he made of Organizational Development professionals at a conference. He found people entering the field with diverse backgrounds and little to no training in Organizational Development. There is still the critical problem of quality control of people entering the field that Jones (2005) mentioned many years ago! How are these people learning Organizational Development body of knowledge and skills that are usually outlined for the profession? In any discussion with “Would be Organizational Development Executives” the answer to that question is that they are not receiving any education in these areas. They ask where can they read about Organizational Development; and how can they get into the field? In the experience of most OD specialists, many of these people are out of work professionals - some of whom have business backgrounds and who now believe that consulting is the field they can and need to enter.

If people are flocking into the field without formalized training and with little opportunity to acquire concrete skills, then how would they develop an understanding for the underlying values that drive this profession? With whom would they have the opportunity to discuss the ethics, explore situations and dissect interventions to discover the success and the opportunities to become better? Some new comers have been lucky enough to find some help but most novices continue the search.

Cockerill et al., (1995) define threshold and high performance competences. Threshold competences are units of behavior which are used by job holders, but which are not considered to be associated with superior performance. They can be thought of as defining the minimum requirements of a job. High performance competences, in contrast, are behaviours that are associated with individuals who perform their jobs at a superior level.
The importance of effective communication during organizational change is becoming more and more clear. The reasons for change have to be clear to the people involved and they must have a vision of the direction or goals of the change in order to know where they need to go (Kotter, 1996). Managers and change agents are usually seen as the ones who have to explain why change is needed and which improvements are intended (Kanter, Stein and Jick, 1992; Klein, 1996).

Bushe, (1998) says that mergers and acquisitions succeed when companies are mutually willing to share risk, learn from each other and leverage each other’s strengths for competitive advantage. Unfortunately research (DeAngelis, 1998) shows 80 percent of mergers and acquisitions do not meet financial goals and 50 percent are outright failures, due to culture incompatibility and poor integration management. Careful planning for the new organizational designed culture can increase odds for success. An Organizational Development consultant can help each company map its own culture, then together the companies decide what kind of culture they want and how achievable it would be.

In Alliance Advantage, Yves L. Doz and Gary Hamel, (1998) identify three categories of partnerships – co-option, co-specialization, and learning or internalization- and suggest steps that help make them more effective. Their views, combined with current research results, reveal an outline for successful relationships. Executives will need the ability to gather and analyze outside data while paying attention to critical knowledge that comes from lower level employees who have more key relationships with customers, partners, and suppliers compared to the top level employees. Organizational Development practitioners can enhance learning through a variety of interventions. The challenge will be to know which tools to use as well as when and how to use them.

In USA, growth was attributed to declining birthrates and aging baby boomers moving into leadership positions and retirement (Drucker, 1998). Generation Xers frequently are more independent, less loyal and less respectful of formal authority (Conger, 1997). These macro forces will be drivers in the emerging trends. A survey of 1,700 HR professionals conducted by Charles D. Spenser and Associates, Incorporated, 1997 shows working with senior managers in organizational change and strategy development contributes more to an organization than
traditional HR activities. Asked to name the one skill that has increased most in importance, 26 percent of the HR professionals cited change management skills.

**Patton and Michael Quinn, (1999)** in the article “Organizational Development and Evaluation”, explore some of the opportunities open to evaluators as organizational development practitioners and the particular competencies and comparative advantages evaluators can bring to such initiatives. This includes (1) making systems connections between program culture and organizational culture (and therefore between program effectiveness and organizational effectiveness); (2) organizational mission fulfillment assessment (in contrast to and in relation to program goal attainment); (3) result-oriented, reality-testing leadership development as an organizational development effort to enhance the appropriate, effective and ongoing use of outcomes evaluation at senior organizational levels; (4) reflective practice and action research built on evaluation logic and processes for organizational development; (5) knowledge management for learning organizations through identification and use of high quality (empirically supported and triangulated) lessons learned; (6) evaluation facilitation as a way of enhancing organizational communications; (7) process uses of evaluation for organizational learning and capacity building; and (8) developmental evaluation as a form of organizational development in teams

**Lok and Crawford, (1999)**: The concept of organizational commitment has been examined extensively in organizational literature, yet the relationships between organizational culture, subculture and commitment have received little attention so far. Acknowledging the complexity and the multifaceted nature of antecedents involved in organizational commitment, it is still necessary to understand the dynamics of relationships between these variables. It was found that organizational subculture was more strongly related to commitment than was organizational culture. Satisfaction with the level of control over working environment had the highest correlation with the level of commitment. The leadership style variable, consideration, was also relatively strongly related to commitment when compared with other variables. There was a small positive association between age and commitment. However, participants’ level of education, years in position and years of experience failed to show any relationship with commitment.
Randall et al., (1999) investigated the relationship of organizational politics and organizational support to various work attitudes and behaviours among a field sample of 128 participants. Consistent with their hypothesis, politics and support were related to job satisfaction, commitment, turnover intentions and supervisor ratings of organizational citizenship behaviors. However, only support was related to job performance. They also examined whether or not organizational politics and organizational support comprise two distinct constructs or one global factor. The evidence here was ambiguous. Fit indices obtained from confirmatory factor analysis suggested that it is more parsimonious to treat politics and support as opposite ends of the same construct, though the two-factor model did show a slightly better fit. On the other hand, subsequent multiple regression analyses showed that support tended to account for additional criterion variance beyond the effect of politics, implying that there may be some practical utility to retaining politics and support as distinct constructs.

Fox and Spector, (2000) say that emotional intelligence was conceptualized as competencies that may enable people to use emotions advantageously to achieve desired outcomes. Measures of three components of emotional intelligence (empathy, self-regulation of mood and self-presentation) as well as affective traits (positive and negative affectivity) and general and practical intelligence were related to a major facet of work success, job interview performance. A sample of 116 undergraduates participated in a simulated job selection experience, consisting of paper and pencil tests and a videotaped structured interview. Results partially supported the proposed model. Some but not all of the affect and ability measures were related to interview outcomes, both directly and mediated by the interviewer's affective response (perceived similarity and liking). In addition to measures of emotional intelligence, measures of general and practical intelligence were associated with interview outcomes, but the orthogonality of IQ and the major emotion variables argue for the unique contributions of emotional intelligence and trait affect to interview success.

Fisher and Ashkanasy, (2000) said that assertion of emotions play in organizational settings has only recently been revived, following publication in 1983 of Hochschild’s “The Managed Heart”. Since then, and especially over the last five years, the tempo of research in this field has stepped up, with various initiatives such as conferences and e-mail discussion lists playing significant roles. The Special Issue is another initiative in this genre. The six papers in
the Special Issue were selected from forty submissions and cover a wide range of contemporary research issues. The papers deal with the relationship of mood to job characteristics and to job satisfaction, manifestation of anger in dyadic relationships, perceptions and effects of emotional labor, emotional intelligence in selection interviews, and the effects of displays of sadness and anger by leaders.

**Barling et al., (2000)** investigated whether emotional intelligence is associated with the use of transformational leadership in 49 managers. Managers completed questionnaires assessing their own emotional intelligence and attribution style; their subordinates \((n = 187)\) provided ratings of their transformational leadership. Controlling for attribution style, multivariate analyses of covariance showed that three aspects of transformational leadership (i.e. idealized influence, inspirational motivation and individualized consideration) and constructive transactions differed according to level of emotional intelligence. In contrast, no multivariate effects emerged for transactional leadership.

**Cacioppe, (2000)** describes a new vision for leadership and the development of organizations which integrates emerging perspectives from the fields of science, transpersonal psychology, eastern philosophy and management. Spirituality is seen as important in helping human beings experience the fundamental meaning and purpose of their work. It is defined and described as distinctly different from organized religion. Practical examples are given of leaders and organizations that are facilitating spirituality in the workplace.

**Kivimaki et al., (2000)** have studied how communication helps organizational innovation in their study. The study selected 32 small and medium-sized industrial enterprises and explored eight distinct aspects of communication, as appraised by the staff \((n = 493)\) and innovative performance, assessed by two indicators: perceived innovation effectiveness and patent statistics obtained from the Patent Register at the National Board of Patents and Registration of Trademarks. The results showed that intra-organizational aspects of communication, such as encouragement of initiatives and critical evaluation of performance, were associated with both indicators of innovative performance. In addition, a participative climate and interaction between the personnel in R&D, marketing and production were related to perceived innovative effectiveness, whereas interaction with clients and other firms related to the number of patents in the organization. The link between communication and innovation was
interdependent with the organizational and staff characteristics including the number of personnel, administrative and R&D intensity, the level of vocational training and the age distribution of the staff.

**Kelloway et al., (2000)** investigated the effect of leadership training and counseling feedback on subordinates’ perceptions of transformational leadership. A total of 40 organizational leaders participated in a $2 \times 2$ (training) × (feedback) design. Data from 180 subordinates showed that both training and feedback resulted in increased subordinate perceptions of leaders’ transformational leadership. Results suggest that both training and feedback are effective means of changing leadership behaviours but also indicate that the combination of training and feedback did not result in enhanced transformational leadership.

**Palmer et al., (2001)** opine that emotional intelligence has become increasingly popular as a measure for identifying potentially effective leaders and as a tool for developing effective leadership skills. Despite this popularity, however, there is little empirical research that substantiates the efficacy of emotional intelligence in these areas. The aim of their study was to explore the relationship between emotional intelligence and effective leadership. Emotional intelligence was assessed by a modified version of the Trait Meta Mood Scale in 43 participants employed in management roles. Effective leaders were identified as those who displayed a transformational rather than transactional leadership style as measured by the multifactor leadership questionnaire. Emotional intelligence correlated with several components of transformational leadership suggesting that it may be an important component of effective leadership. In particular emotional intelligence may account for how effective leaders monitor and respond to subordinates and make them feel at work.

**Sivanathan and Fekken, (2002)** Using university residence staff as their leaders of interest, they explored the association of emotional intelligence and moral reasoning to leadership style and effectiveness. A total of 58 residence staff completed questionnaires assessing their emotional intelligence and moral reasoning. Subordinates (n=232) rated the residence staff’s leadership behaviours and effectiveness. Residence staff’s supervisors (n=12) also provided similar effectiveness ratings. Analysis showed that leaders who reported higher
levels of emotional intelligence were perceived by their followers as higher in transformational leadership and more effective. Interestingly, having high emotional intelligence was not related to supervisor’s ratings of effectiveness. Supervisors associated greater job effectiveness with higher moral reasoning. Theoretical implications and practical applications of these findings are discussed.

**Prewitt (2003):** While discussions of the learning organization often focus on nuances of its definition and application, little attention has been given to the role that organizational leaders play in fostering goals of becoming a learning organization. Varied research indicates that leaders may play the single most important role in determining the success or failure of learning organization efforts with trust, modeled behaviours and positive reinforcement critical to gaining worker acceptance and support. This paper recommends that, to improve chances of success, organizations should first attend to developing learning leaders before implementing any learning organization efforts.

**Leban and Zulauf, (2004):** Today's business environment is changing tremendously due to economic forces that result in the redesign of systems to decrease cost, the need to speed up product development and the focused attention on satisfying customers. These conditions have caused organizations to utilize project management to implement strategic initiatives through projects. By utilizing a “big picture” systems approach to analyze how the system components interact, decisions can be made which are in the “best interests” of the overall project. Project management is ideally matched to this business environment. The study addressed 24 project managers and their associated projects in six organizations from varied industries. The results of the study found that a project manager's transformational leadership style has a positive impact on actual project performance, that emotional intelligence ability contributes to a project manager's transformational leadership style and subsequent actual project performance.

**Pritchard and Karasick, (2004):** The effects of organizational climate on job performance and satisfaction as well as the effects of interactions between climate and individual needs on performance and satisfaction were examined for 76 managers from two organizations. It was found that climate was influenced by both the overall organization and by subunits within the organization. Climate was fairly strongly related to subunit performance and
to individual job satisfaction. There was some limited evidence for climate and individual needs interacting to influence performance and satisfaction.

**Chawla and Kelloway, (2004)** showed that openness to change is directly and indirectly influenced by communication. Many studies have investigated the extent to which information and communication decrease uncertainty about change. Finally, communication has been presented a strategy for dealing with resistance to change.

Improving change processes requires a detailed insight into the forms of change communication and the communicative behaviour of change agents. The prevailing idea that change communication equals top-down information dissemination needs to be reconsidered. Organizational development theory can be helpful in this because of its focus on creating opportunities for dialogue and interaction in the context of organizational change (Cummings, 2004)

**R. Roth, P. Jones, S. Galgay and Watson. M, (2004):** The authors discuss several aspects of goal setting such as the relation between feedback, goals and performance, measurement issues, time periods and others. Mozenter (2002), explored the current and future impact of several inter related macro forces and their implications for the future of organizational development. As a result of today’s macro forces, several trends are emerging. These trends signal compelling opportunities for organizational development practitioners and their clients to partner in building successful 21st century businesses. Some are expected and obvious; others reach into relatively new territory. These new trends include: expanded use of Organizational Development, as organizations meet the challenges of today’s macro forces, new convergence of organizational development skills and business competencies. New approaches that embrace whole system change Organizational Development as a catalyst for profitable partnerships and Alliances Continuous learning as a prerequisite for success in the 21st century.

**Piotrowski & Armstrong , (2005),** individually analyzed citations in two major research databases to identify emerging and declining areas of research in the field. Additionally, Johnson and Podsakoff measured the influence of journals in management, and Blackburn traces scholarly communication in and out of the field (Blackburn, 1990; Johnson & Podsakoff,
1994). Though these methods have been well employed, none have used citation analysis to identify core organizational development sources.

Organizational change and work research: There is a longstanding tradition of action research in organizational settings which aims to contribute both to more effective work practices and better understanding of the processes of organizational change. This approach draws on a variety of forms of information gathering and feedback to organization members, leading to problem solving dialogue.

Schmirdinger et al., (2005) present a new competence focused managed approach called competence based business development. This approach supports organizations of all kinds in the effective identification, measurement, combination and integration of organizational competencies, comprised of human competencies, tools and material. The authors used another pattern called field of application referring to the creation of business fields, products and services or the competencies based organizational development. The authors also presented in this paper the theoretical background and framework of the competencies based organizational development.

The middle of the 80s was a turning point for organizational development, the growing number of publications had not led to the establishing of an independent discipline nor had business schools started special training programmes for organizational development consultants. In Germany for example, although behavioural science knowledge has become an integral part of management thought, there actually are but very few organizational development publications. One might hypothesize that this development corresponds with a declining interest in group dynamics and especially, the political idea of emancipation.

However, organizational development is far from being dead; the various methods are still being used by companies and consultants. Yet in most cases they are being used in an isolated manner and are not combined into organizational development programs. In addition, the sole intention of most projects is to increase productivity and very often, consultants omit the term organizational development when actually doing organizational development projects. Certainly, organizational development is no longer as fashionable as it was in the 70s and early
80s. Instead traditional, non-participative methods of consulting and isolated training methods have become dominant again.

Daus and Ashkanasy, (2005) refute the claims of Landy, Locke and Conte (2005) and applied ability-based models of emotional intelligence in organizational behavior. The authors address remaining issues such as general concerns about the tenor and tone of the debates on this topic, a tendency for detractors to collapse across emotional intelligence models when reviewing the evidence and making judgments and subsequent penchant to thereby discount all models, including the ability-based one, as lacking validity. The authors specifically refute the following three claims from critics with the most recent empirically based evidence: (1) emotional intelligence is dominated by opportunistic ‘academics-turned-consultants’ who have amassed much fame and fortune based on a concept that is shabby science at best; (2) the measurement of emotional intelligence is grounded in unstable, psychometrically flawed instruments, which have not demonstrated appropriate discriminating and predictive validity to warrant/justify their use; and (3) there is weak empirical evidence that emotional intelligence is related to anything of importance in organizations. Thus this is an overview of the empirical evidence supporting the role of emotional intelligence in organizational and social behaviour.

Ashkanasy and Daus, (2005) present a brief summary of research in the field and rebut arguments against the construct. The authors identify three streams of research: (1) a four-branch abilities test based on the model of emotional intelligence; (2) self-report instruments; and (3) commercially available tests. In response to the criticisms of the construct, the authors argued that the protagonists have not distinguished adequately between the streams and have inappropriately characterized emotional intelligence as a variant of social intelligence. More significantly, two of the critical authors assert incorrectly that emotional intelligence research is driven by an utopian political agenda, rather than scientific interest. On the contrary, emotional intelligence research is grounded in recent scientific advances in the study of emotion; specifically regarding the role emotion plays in organizational behavior. Finally, the authors concluded that emotional intelligence is attracting deserved continuing research interest as an individual difference variable in organizational behaviour related to the way members perceive, understand and manage their emotions.
**Conte, (2005)** explains that emotional intelligence measures vary widely in both their content and in their method of assessment. In particular, emotional intelligence measures tend to use a self-report personality-based approach, an informant approach, or an ability-based assessment procedure. In this paper, the measurement and psychometric properties of the major emotional intelligence measures (Emotional Competence Inventory, Emotional Quotient Inventory, Multi factor Emotional Intelligence Scale) are reviewed, the comparability of these measures is examined, and some conclusions and suggestions for future research on emotional intelligence measures are provided.

**Brown and Moshavi , (2005)** argue that non-cognitive emotional intelligence could potentially contribute to a more holistic understanding of interpersonal influence and leadership; however, significant issues of definition, psychometric independence and measurement must be conclusively resolved. Possible relationships between emotional intelligence, transformational leadership and individual/organizational outcomes are described and further investigation is encouraged.

**Locke, (2005)** argues that the concept of emotional intelligence is invalid both because it is not a form of intelligence and because it is defined so broadly and inclusively that it has no intelligible meaning. He distinguishes the so-called concept of emotional intelligence from actual intelligence and from rationality. He identifies the actual relation between reason and emotion and reveals the fundamental inadequacy of the concept of emotional intelligence when applied to leadership. Finally, he suggests some alternatives to the emotional intelligence concept.

**Akkirman and Harris, (2005)** have attempted to compare levels of communication satisfaction between virtual workplace and traditional workplace employees in a single firm and explore the potential causes of the differences. Two groups, virtual office and traditional office workers from a single firm were surveyed using Down and Hazen's Communication Satisfaction Questionnaire. The study developed and tested hypotheses that traditional workers would have higher levels of satisfaction in personal feedback, communication climate, relationship with supervisors, horizontal and informal communication, organizational integration and overall communication satisfaction. The findings suggested following the upper level support,
appropriate technology and technological support, culture training as well as technical training, restructuring work to support a virtual workplace and providing extra social support systems to reduce alienation. The results of the study are limited by the company-specific nature of the sample and number of responses.

Current technology can affect not only how we communicate but also what we communicate. As a result, the issue for designers of communication support systems has become broader: how should technology be designed to make communication more effective by changing the medium and the attributes of the message itself? The answer to this question requires a shift from current preoccupations with the medium of communication to a view that assesses the balance between medium and message form. There is also a need to look more closely at the process of communication in order to identify more precisely any potential areas of computer support.

DeSanctis and Monge, (2006) say that communication is fundamental to any form of organizing but is preeminent in virtual organizations. Virtual organizations are characterized by (a) highly dynamic processes, (b) contractual relationships among entities, (c) edgeless, permeable boundaries and (d) reconfigurable structures. Relative to more traditional settings, communication processes that occur in virtual contexts are expected to be rapid, customized, temporary, greater in volume, more formal and more relationship-based. To gain insight into communication processes for virtual organizations, we draw on the rich body of literature on synchronous and asynchronous electronic organizational communication. The vast set of empirical findings regarding mediated communication can foreshadow how communication will change as firms “go virtual.” Six areas of electronic communication research provide implications for the major aspects of virtual organization design: (1) communication volume and efficiency, (2) message understanding, (3) virtual tasks, (4) lateral communication, (5) norms of technology use and (6) evolutionary effects.

Koys, (2006) addresses the issue of whether positive employee attitudes and behaviors influence business outcomes or whether positive business outcomes influence positive employee attitudes and behaviours. They hypothesize that employee satisfaction, organizational citizenship behaviour and employee turnover influence profitability and customer satisfaction. Data were
gathered from the units of a regional restaurant chain via employee surveys, manager surveys, customer surveys and organizational records.

Cross-lagged regression analyses show that employee attitudes and behaviours at Time 1 are related to organizational effectiveness at Time 2. Additional cross-lagged regression analyses show no significant relationship between organizational effectiveness at Time 1 and the employee attitudes and behaviours at Time 2. These results add to the evidence that HR outcomes influence business outcomes, rather than the other way around.

Afiouni, (2007) explained that organizational capabilities involve the acquisition, development and deployment of knowledge workers knowledge or “inputs” and the further development and innovation of knowledge as a value-adding process in enhancing organizational capability of the abilities of firms to effectively acquire competitive advantage and sustain such advantage in the global marketplace and market space. There have been inconclusive results in linking the relationship between knowledge management (KM) strategies and organizational performance

Bohlander and Snell, (2007) explained that knowledge workers are important and are the key strategic resources in modern learning organizations; they are value creators and value adders whose major contributions come from their abilities to process and apply knowledge and information to completing essential tasks, making decisions and solving problems. The management of the knowledge worker coincides with the competitive challenges of human resources management which are identified as going global, embracing new technology, managing change, managing talent or human capital, responding to the market and containing costs. The development of human capital; the knowledge, skills, and capabilities of individuals that have economic value to an organization is of vital importance in the modern competitive age of the new global economy where organizations must be either of two types namely market driving or market driven

According to Bohlander and Snell, (2007), to build human capital in organizations, leaders must continually develop superior knowledge, skills and experience within the workforce by identifying, recruiting and selecting the “best and brightest talent” for work. Furthermore, they communicate the importance of sustainable training programs in knowledge worker
development within multiple organizational settings. Training programs should be assessed by organizational leaders to ensure that they facilitate the needs of the knowledge worker in meeting job requirements (McFarlane, 2006; Kirkpatrick & Kirkpatrick, 2006).

Leading and managing the knowledge worker requires organizations to provide unique developmental assignments (Bohlander & Snell, 2007) that improve knowledge workers’ performances in all areas; social, cognitive and physical, by positively affecting behaviour, bringing about new learning experiences, developing the appropriate reactions, producing expected results even above what they have been implemented to yield and all this with appropriate rewards (McFarlane, 2008). Effectively managing the knowledge workers requires finding and fostering the linkages between leadership and organizational capability in constructing proper knowledge management systems and making organizational mission and vision as well as critical strategies parts of the learning process and intrinsic motivational factors driving the knowledge worker toward information acquisition, internalization, integration and reproduction.

According to Ichijo and Nonaka, (2007) the knowledge based management of organizations is at the heart of what management must do today in a fast changing environment. Ikojiro Nonaka is the guru who developed the idea of “knowledge management” in a 1991 Harvard Business Review article. Since the inception of the idea of knowledge management, Nonaka (2007) feels that organizations of the 21st century are far way from creating adequate knowledge-based competence necessary for gaining the competitive advantages they require in the hypercompetitive market. Thus, creation and sustenance of knowledge-based management competencies is a requirement for managing the knowledge worker and knowledge systems in the modern organization.

Bohlander and Snell, (2007) contend that technological inventions and advancements have led to the increase in a variety and number of jobs requiring advanced knowledge and considerable skills, thus transforming human capital platforms “from touch labour to knowledge workers”. Knowledge workers are “workers whose responsibilities extend beyond the physical execution of work to include planning, decision making, and problem solving”. The new need for knowledge workers has led to a requirement for knowledge-based management systems and strategies, as well as what Bohlander and Snell refer to as “knowledge-based training.” The
creation of knowledge-based management systems and training programs often includes considerations on technology applications, business skills and telecommunications integration.

Afiouni, (2007) states that, “knowledge management (KM) has become a must to ensure organizational effectiveness” (p. 124). Afiouni argues that effective knowledge management requires combining human resources management (HRM) initiatives and knowledge management to improve organizational performance by focusing on knowledge workers. Similar to Bohlander and Snell (2007), Afiouni (2007) emphasizes the importance of human capital requirements and development as part of knowledge management practices and systems, by arguing that, “not enough attention has been paid to human capital and its role in the competitive advantage of business in today’s knowledge economy” (p. 124); similar also to the contentions of Ichijo and Nonaka (2007). The importance of human and social factors in knowledge management creation and sustenance has been increasingly recognized (Afiouni, 2007). Nevertheless, Ichijo and Nonaka (2007), Bohlander (2007), as well as Afiouni (2007) believe that further development and integration between knowledge management systems and human capital considerations and practices must become the key in developing core and distinctive competencies; essentially, competitive advantage.

Afiouni, (2007) recommends integrating human capital resources and organizational capital resources in establishing effective knowledge management systems. Afiouni defines human capital resources as including “the training, experience, judgment, intelligence, relationships, and insight of individual managers and workers in a firm” (pp. 124-125), and organizational capital resources as “a firm’s formal reporting structure, its formal and informal planning, controlling, and coordinating systems, as well as informal relations among groups within a firm and between a firm and those in its environment” (p. 125). “The personal nature of knowledge means that the agency of the person who possesses it is required for it to be shared” (Afiouni, 2007 p.126 ). Knowledge sharing systems are thus key aspects of knowledge management systems within organizations. In order to motivate knowledge workers to share their skills, knowledge and talents with others, organizational leaders and managers show how the potential loss of knowledge could affect organizational performance. The knowledge worker must become the key resource around which the entire system is built and revolves. This stands to reason, since knowledge is the creative power of learning and market driving organizations
where innovation and creativity are tools of progress. This is acknowledged by Mujtaba and McFarlane (2007) and Hislop (2003) who state that knowledge represents an important potential power resource inclining one to be straightforward in requesting knowledge sharing.

The human capital approach to knowledge management and sustenance has been advocated by several theorists who assert that human capital, intellect, and knowledge are key to understanding the core of knowledge management functions within organizations (Afiouni, 2007; Nonaka & Takeuchi, 1995, Marsick & Watkins, 1999; and Edvinnson & Malone, 1997). Further support to these theorists’ contention is given by Garavan, Morely, Gunnigle, & Collins (2001) who argue that inclusion of key knowledge workers into knowledge management systems add value to organizations. Human capital is the core of any knowledge-based enterprise (Bontis, 2001 and Serenko, Bontis, & Hardie, 2007).

Effective empowerment requires a culture that emphasizes openness and honesty and one that downplays hierarchy. Employees fulfill three roles. First, approximately 90 percent produce goods and services and decide how work is done. Second, 8 percent are integrators, responsible for coordinating people and systems. Third, the remaining 2 percent lay down policies, procedures, rules and systems, they are the decision makers.

Rode et al., (2007) examined the direct and moderated effects of an ability-based measure of emotional intelligence on individual performance in a sample of business undergraduates. Controlling for general mental ability and personality, emotional intelligence explained unique incremental variance in performance ratings on only one of two measures of interpersonal effectiveness (public speaking effectiveness). However, the interaction of emotional intelligence with conscientiousness explained unique incremental variance both in public speaking and group behavior effectiveness, as well as academic performance (cumulative GPA). They conclude that the effects of emotional intelligence on performance are more indirect than direct in nature. Individuals must not only have emotional intelligence, but also must be motivated to use it.

Kjaergaard and Kautz, (2008) have proposed the idea that a process model is the key to establishing sound knowledge management practices and systems in 21st century organizations. Using longitudinal field study, they treat information technology (IT) as a decisive
element in managing knowledge and argue that rather than conducting knowledge management, organizational leaders and managers should seek to “establish” knowledge management.

Kjaergaard and Kautz, (2008) argue that “organizational members make sense of the action and behaviour of management and how this understanding influences their own perceptions and actions in the process of establishing knowledge management” which leads to “an understanding of knowledge management as an autonomous venturing process” (p. 282). Knowledge management must become part of strategic business process orientation in organizations and must seek to integrate human capital considerations as the foremost factor driving IT and other technology and socio-technical systems and processes.

Choi, Poon and Davis, (2008) say there is clearly a relationship between knowledge management strategies and organizational performance implicit in knowledge workers inputs and the increasing tendency towards organizations become learning centres for managing innovation and dealing with change as competitive exercises that affect survival. Knowledge-based systems are the major platforms upon which these competitive networks are established as knowledge workers utilize cognitive skills to devise new and innovative strategies to give products and services a quantum leap over their competitors.

Donovan A. McFarlane, (2008) in his research titled “Effectively Managing The 21st Century Knowledge Worker”, explores the relationships between the knowledge workers, leadership roles and organizational capability by attempting to describe and discuss the effects of leadership and organizational-based knowledge management strategies on the knowledge worker as a value-adder to organizational innovativeness and competitiveness. Organizational performance is seen from the perspective of knowledge-sharing resulting from effective human resource planning practices that integrate knowledge worker needs-considerations into organizational development processes.

Day and Carroll, (2008) compared the susceptibility of two emotional intelligence tests to faking. In a laboratory study using a within-subjects design, participants completed the EQ-i and the MSCEIT in two sessions. In the first session (i.e., the ‘applicant condition’), participants were given a job description and asked to respond to the emotional intelligence measures as though they were applying for that job. Participants returned 2 weeks later to repeat the tests in a
‘non-applicant’ condition in which they were told to answer as honestly as possible. Mean differences between conditions indicated that the EQ-i was more susceptible to faking than the MSCEIT. Faking indices predicted applicant condition EQ-i scores, after controlling for participants' non-applicant EQ-i scores, whereas the faking indices were unrelated to applicant condition MSCEIT scores, when the non-applicant MSCEIT scores were controlled. Using top-down selection, participants were more likely to be selected based on their applicant condition EQ-i scores than their non-applicant EQ-i scores, but they had an equal likelihood of being selected based on their MSCEIT scores from each condition. Implications for the use of these two emotional intelligence tests are discussed.

Giardini and Frese, (2008) investigate the role of the positive organizational behaviour (POB) concept of emotional competence for the effective management of participants' effect in service encounters and customers' assessments about the encounter. They developed and tested a two-level model in which service employees' emotional competence is related to both service employees' and customers' state positive effect. Customers' positive effect, in turn, is related to customers' specific and general evaluations of the service rendered. A total of 394 service encounters involving 53 financial consultants of a bank were assessed. Data were analyzed by a combination of path analysis and hierarchical linear modeling (HLM) and the results support large parts of the model. More specifically, employees' emotional competence was related to customer evaluations through their own positive affective state during the encounter as well as through a direct link to the customer evaluations of the encounter.

Yeol Kim et al., (2009) proposed and tested a model where emotional competence influences work performance through employees' proactive behaviours toward their supervisors. Results from 196 supervisor-employee pairs supported that emotional competence was positively associated with proactive behaviours and proactive behaviours were positively associated with both task effectiveness and social integration. In addition, proactive behaviours significantly mediated the relationships between emotional competence and work performance, although this was mostly true of followers who had a higher degree of autonomy in their work.

O'Boyle et al., (2011): This meta-analysis builds upon a previous meta-analysis by (1) including 65 per cent more studies that have over twice the sample size to estimate the relationships between emotional intelligence and job performance; (2) using more current meta-
analytical studies for estimates of relationships among personality variables and for cognitive ability and job performance; (3) using the three-stream approach for classifying emotional intelligence research; (4) performing tests for differences among streams of emotional intelligence research and their relationships with personality and cognitive intelligence; (5) using latest statistical procedures such as dominance analysis; and (6) testing for publication bias. They classified the emotional intelligence studies into three streams: (1) ability-based models that use objective test items; (2) self-report or peer-report measures based on the four-branch model of emotional intelligence; and (3) “mixed models” of emotional competencies. The three streams have corrected correlations ranging from 0.24 to 0.30 with job performance. The three streams correlated differently with cognitive ability and with neuroticism, extraversion, openness, agreeableness and conscientiousness. Streams 2 and 3 have the largest incremental validity beyond cognitive ability and the Five Factor Model (FFM). Dominance analysis demonstrated that all three streams of emotional intelligence exhibited substantial relative importance in the presence of FFM and intelligence when predicting job performance. Publication bias had negligible influence on observed effect sizes. The results support the overall validity of emotional intelligence.

Timothy and Mueller, (2012) provide a review of general issue and some specific recommendations for researchers on organizational behaviour research. The authors begin by discussing whether the general versus specific issue is an important debate and by discussing other underlying issues. Building on Chen's analysis of core self-evaluations, they first discuss how the general–specific debate has progressed in core self-evaluations research. They then discuss three other important areas in which this debate has played out namely intelligence, five-factor model of personality and job attitudes. Finally, the authors offer a framework to help guide decisions about whether to utilize general measure or specific measures or both and conclude by providing recommendations for the use of general and specific measures in organizational behaviour research.