Chapter 3: Attitudes and Job Satisfaction

Attitudes: Attitudes are evaluations, judgments, opinions about people/objects/states/events.

There are 3 main components of attitudes: cognitive, affective, behavioral.

Cognitive refers to just describing things how we see them, e.g. "I have a job".

Affective is related to emotions and feelings, e.g. when one says: "I am so happy with my job".

Behavioral refers to intentions, actions, e.g. when one says "I will never resign from my job" or "I am looking for another job".

All components are related, cognitive and affective aspects of attitudes are inseparable. As one sees attitudes and behaviors are connected, certain attitude leads always/sometimes/often/never to certain behavior.

At this point, the notion of cognitive *dissonance appears* – it is the reverse effect – when attitude follows behavior. It is explained as inconsistency between attitudes or between behavior and attitude (e.g. advising others to drive slowly when you drive fast yourself). What influences dissonance is: its importance, influence of one's values, rewards of dissonance.

Major Job Attitudes

Job satisfaction: a positive feeling about one's job according to an evaluation of its characteristics.

Job involvement: (level of identification with the job, caring for and participation in it and considering it as important for "self").

Another notion in this part is psychological empowerment – it expresses the belief in the level of one's influence on his work setting, abilities, his work importance and locus of control.

Organisational commitment (employee's identification with the company's goals, corporate culture, strategy, mission, values, vision and willingness to preserve his belonging to the organization)

Affective – emotional connection with the company and its values; Continuance – perceived financial benefit resulting from staying rather leaving a firm/company; Normative – feeling obliged to stay in a company because of moral/ethical matters

Perceived organisational support (POS) – level of employee's conviction and belief that the organisation supports him, appreciates his work and cares for his comfort, security, and happiness.

Employee engagement – employee's enthusiasm for the work he does, satisfaction with it and his commitment to his work.

Job satisfaction

Job satisfaction can be measured in two ways:

Single global rating method (survey participants answer one question: How satisfied are you with your job?)

Summary of job facets (makes an employee evaluate each element of a job), possible facets can be salary, communication with co- workers and with supervisor, amount of days off, etc.

The first, "one-question" method is fast and inexpensive. The second one (summary of job facets) is more accurate, allows the identification of the core problems and makes it easier to create possible solutions.

What makes employees satisfied with their job?

The fact that they enjoy their work

Interesting jobs that provide training, variety, independence and control

Most people prefer challenging over easy and various over routine

In general, most of the time is the nature of job that makes one satisfied with work. However, also personality is an important factor influencing job satisfaction. It is essential to have positive core self-evaluations (which are one's evaluations of his possibilities, abilities, and strengths).

Once a person achieves a level of payment that allows for him comfortable living, the relationship between pay and job satisfaction does not exist any longer.

There are 4 responses to dissatisfaction:

Exit – behavior indicating the will to leave the organisation

Voice – results in actively and constructively trying to change dissatisfying conditions

Loyalty – waiting passively hoping for situation improvement

Neglect – doing nothing, letting the conditions worsen

Relationships between job satisfaction variables:

Job satisfaction and job performance have strong positive relation -> more satisfied workers are more productive

Moderate relation between job satisfaction and organizational citizenship behavior -> more satisfied workers more probable that they engage in OCB

Satisfied workers enhance customer satisfaction and loyalty

Satisfied workers are less likely to miss work (moderate relation)

Satisfied workers are less likely to quit (strong relation)

Job dissatisfaction is much likely to cause workplace deviance

Managers usually overestimate job satisfaction but do not actually measure it.

Chapter 4: Personality and Values

Nature of personality

Before going deeper into the subject, we define the term personality as one's total sum of behaviors, reactions, and interactions with others. In organisations, HRM departments use personality tests to measure and forecast the behavior of prospective employee.

The common method of measuring personality is self-report survey – one evaluates himself on different variables. The other means of personality measurement is the observer-rating survey, which is a more independent assessment – a person observes and rates personality of another person (employee, prospective employee, etc). Claimed to be more successful in the context of organisations.

Personality results from heredity and interactions with an environment. People's personalities can change over the course of time. Moreover, the notion of personality traits appears at this point – these traits are enduring, rather unchanging attributes that characterise behavior. If one is often shy and/or aggressive and performs these behaviors often, we can call shyness and/or aggression his personality traits.

Models which organise traits

There are two main models which recognise and organise traits:

-The Myers- Briggs Type Indicator

-Big Five Model

The Myers- Briggs Type Indicator   the most common personality-assessment tool. It's a test which consists of 100 questions related to behaviors, feelings, and attitudes in different situations. After doing the test, a person can be classified to the following groups:

Extroverted or introverted – extraverted types are gregarious, social, assertive, outgoing

Sensing or intuitive – sensing types like routine, are practical-oriented, pay attention to details

Thinking or feeling – thinking types are logical and analytical when facing problems

Judging or perceiving – judging types like the ordered, structured world, need for control

Disadvantages of the model: a person must be classified either to one type or another – cannot be in-between the types, and do not reflect job performance.

Big Five Model personality-assessment tool which recognises 5 aspects:

Extraversion: reflect one's level of comfort with relationships

Agreeableness -> describing someone who is warm, cooperative, easily reaches compromises and is trusting.

Conscientiousness -> describing someone who is organised, determined, responsible and reliable.

Emotional stability -> handling stress measure. Negative emotional stability relates to people who get angry/nervous/upset easily, irritated quickly, feel insecure, and lack confidence.

Openness to experience -> describes curiosity of world or some of its aspects, creativity, interest in innovations, novelties.

Studies have demonstrated the relationship between personality dimensions and job performance. Critique: the Big Five model does not represent all relevant traits that a personality can have.

The other traits, which are not shown in the existing 2 models, but are highly relevant to OB are:

Core-self evaluation -> level to which one likes or dislikes himself, whether he thinks he is effective, able to perform tasks and have control over his surrounding. People with positive core-self evaluation usually perform at work better.

Machiavellianism -> level of one's being rational & practical, goal-oriented, very good in bargaining, keeping distance with showing (experiencing) emotions, thinking that ends justify means. People with high level of Machiavellianism tend to manipulate others, appear as very persuasive, and are good in negotiations.

Narcissism -> people who are high in narcissism level are good leaders, but are perceived by others as arrogant – they want the appreciation, admiration, they may think they are superior.

Self-monitoring -> one's ability to adjust himself and his behavior to external world, various environmental circumstances. People with high level of self-monitoring are more responsive to external signs, but also their behavior differs from situation to situation – they tend to behave differently when being in a public and differently in private. High self-monitoring means better job performance than low self-monitoring.

Risk taking -> willingness to accept changes and take risks. Managers with high risk-taking level make decisions faster.

Type A personality -> people who are highly competitive, always want to achieve more, be more efficient, they can be aggressive in pursuing their goals, even if it takes being against other people/difficulties. In US type A is associated positively, with ambition, success. Type B personality is the opposite – people with type B never hurry with anything, can be relaxed without guilt. Type A personalities do better during work interviews, are faster workers, work long hours, usually work under stress and their actions are more predictable.

Proactive personality -> taking initiatives, being ahead with ideas, recognition of opportunities. Proactive people are seen as leaders, make changes within the organization, but they are more likely to leave the organization to start business on their-own.

Nature of values

A personal and cultural value is a relative ethic value, an assumption upon which implementation seems reasonable. Moreover, values that we organise according to their importance and intensity create a value system. In OB, studying values is important because they influence behavior, perception, attitudes. They guide one's behavior in the sense of doing right and wrong.

The most basic categorisation of values recognises terminal and instrumental values and is used in Rokech Value Survey (RVS). RVS is made of two sets of values: terminal values are desirable goals and instrumental values that represent behaviors/modes which help to achieve the terminal values (terminal goals). People in the similar occupations have similar RVS values.

Moreover, it is necessary to mention generational values. Researches have made the following division:

Veterans -> begin of the workforce in 1950s and 1960s; rather loyal, belief in authority, order, hardworking, pragmatic, traditionalists.

Boomers -> born after the WWII; workforce from mid-1960s until mid-1980s; career-oriented, making-money attitude, distrust/dislike of authority.

Xers -> entered workforce from 1985 until 2000; people with team-sprit at work, who value relationships, bonds, balance their work with private life, question authority, do not like rules.

Nexters -> on the work market since 2000; people to whom financial success is important, they are technology-oriented at work, confident, value both self and relationships, team spirit combined with work autonomy.

Disadvantages of the division above: does not apply in all cultures, little research – relying on intuition, inexact categories.

Matching individual's values and personality to the workplace

Two main theories:

-Person-job fit

-Person-organisation fit

Ad1. Person-job fit -> recognises 6 personality types and makes a match between particular personality fit and occupation and its environment. A successful match guarantees high job satisfaction and lower probability to resign from the job. The possible personality types in person-job fit theory are: realistic, investigative, artistic, social, conventional, enterprising. Social people match best with social occupations, artistic people with artistic jobs, etc…

Ad 2. Person-organisation fit -> this theory claims that people are attracted to and chosen by organisations that correspond to their values and beliefs. If it is not the case, a person will leave the organization. A fit between one's values and corporate culture and values guarantees job satisfaction, organizational commitment and low probability of leaving the firm.

Global Consequences

Hofstede's Framework

Values and value systems differ from culture to culture. Hofstede's framework explains and forecasts behaviors of people from different cultures. The five dimensions of Hofstede's theory are:

Power distance -> high level of it means large differences between the rich and the poor, accepts the existence of social classes, castes. Low level of it emphasizes equality in society.

Individualism versus collectivism

Masculinity versus femininity: high masculinity rating   men dominate the society in which the roles for men and women are separated. Femininity

Uncertainty avoidance

Long-term versus short-term orientation

Critique: out-of-date (concept developed 30 years ago, based on IBM company), many changes, world events have happened since the development of the theory (and they also shape the dimensions), some results are surprising.

Chapter 5: Perception and Individual Decision Making

Perception

Perception is defined as a process of organising and interpreting impressions, thus giving meaning to the external environment, it is organizing our world with impressions we have. It is different from reality, it's subjective, personal. Factors which influence perception can be grouped: there are factors in the perceiver (attitudes, motives, interests, etc.), factors in the target (novelty, motion, sounds, size, etc...) and factors in the situation <context> (time, work and social setting).

Attribution theory

It is important to remember the attribution theory. It is based on the concept that when judging people we try to explain their behavior in two possible ways. Why? Because we recognize that 1) behavior can be internally caused and/or 2) behavior can be externally caused. When observing, judging a person we try to determine whether his behavior is caused internally or externally. Internally caused behaviors are the ones we see as under the control of an individual. Externally caused are the ones we see as the situation forcing a person to do something. There are, however, 3 factors that determine the fact whether we perceive one's behavior as internally or externally caused.

Distinctiveness - > degree to which one behaves differently in different situations

Consensus -> degree to which people facing the same situation, respond similarly

Consistency -> degree to which one's behavior is consistent, unchanging over time

Moreover, when we judge behaviors of others, we often make fundamental attribution error. It is a tendency to underestimate the external environment (situational circumstances) and overestimate internal factors (e.g. blame the person, his personality).

Apart from fundamental attribution error, we are usually under the high influence of self-serving bias. It is one's tendency of attributing his successes to internal factors and failures to external factors. Not blaming self, blaming others.

Shortcuts in judging others

Selective perception -> we base our judgments on the selected by us range/sample of characteristics (when we judge a person) or aspects of a situation. We can 'speed-read' others, but there is a risk of inaccurate judgements.

Hallo effect -> tendency to make mental generalizations, impressions about a person basing on just his one characteristic. A single trait can influence the overall impression.

Contrast effects -> when judging a person we compare him to other people we have lately met and whom we have evaluated better or worse on a particular dimension

Stereotyping-> judging someone on the basis of a perception we have about a group to which he belongs. Profiling is a different category of stereotyping – it is selecting a particular group which we stereotype aiming at intensive inquiry/investigation (used in police, criminology)

Applications of shortcuts in organizations:

Employment interview - > first impression is extremely important

Performance expectations -> might be concerned with self-fulfilling prophecy – effect of one's inaccurate perception about another person makes this person confirm that inaccurate perception (and behave in such way).

Performance evaluation: subjective evaluations can be problematic.

Link between perception and individual decision making

Perceptions largely influence the quality of decision-making. The decision-maker will evaluate the data received according to his perception, bias may be involved.

Decision-making in organisations can fall into one of the three categories:

Rational model -> decision-making model that consists of 6 steps, which one should take to find a problem-solution. Gives a ready scheme that follows a logical order.

Bounded rationality -> based on the idea that people simplify problems to be able to deal with them, we take out multifaceted aspects of the problem and thus reduce complexity. Only find the first acceptable solution, but not the optimal one.

Intuitive decision making -> relaying on intuition when making a decision, takes place on unconscious level. It would be effective to complement this with evidence and good judgements in decision making.

Common biases and errors in decision- making:

Overconfidence bias – we overestimate our abilities, intellect, knowledge.

Anchoring bias – we rely too much on one piece of information or "anchor".

Confirmation bias – in a decision-making it means seeking out information that reaffirm our previous choices and discount information that contradicts it.

Availability bias – basing decision on information that is already gathered and available.

Escalation of commitment – not changing the previous decision despite the negative information.

Randomness error – tendency to believe that one can predict random events

Winner's curse – concept which states that winners of auctions usually pay too much for items they bought, in that they overvalue the items.

Hindsight bias – inclination to see events that have occurred as more predictable than they in fact were before they took place.

Individual differences in decision- making:

Personality: achievement striving people are more likely to escalate commitments than dutiful people.

Gender – women have tendency to rumination (over-thinking problems, decisions, analyzing them for very long, before and after some decisions are made)

Organisational constraints:

Performance evaluation – managers are influenced in their decision-making by criteria of their later evaluation

Reward system – organization's reward system influences decision-making

Formal regulations – choices, decisions which are made have to fit to regulations, rules, directives of a firm

System-imposed time constraints – imposing deadlines influence decision-making

Historical precedents – today's choices are influenced by past choices

Ethics in decision making - 3 ethical decision criteria

Utilitarian criterion – the aim of utilitarianism –> make the best decision that provides greatest good for the greatest number. Pros and cons: promotes efficiency, productivity but ignores individuals (can be minorities).

Rights – making decisional choices consistent with rights, laws, liberties. This criterion protects whistle-blowers who are workers that reveal unethical practices of their organization (because they have a right to free speech). Pros and cons: gives individual freedom, rights, protection, but at the same time creates too much of a law-based environment, which lowers productivity and efficiency

Justice – criterion which characterises people who make decision to achieve equity and aim at fair distribution of benefits. Pros and cons: protects rights of underprivileged, but creates a sense of entitlement, this reduces risks taking, innovation, productivity.

Utilitarianism tends to be the safe choice for decision-makers, but should not be the single criterion to judge good decisions.

Improving creativity in decision making

Creativity can be described as ability to generate new, innovative, useful and resourceful ideas. It is becoming more important in decision-making process. Allows to see more perspectives and angles of a problem. Most of us need to learn to unleash our creative potential

Three-component model of creativity. It is a model that proposes that one's creativity needs expertise (know-how, particular knowledge), creative thinking skills and task motivation (high motivation to work on interesting, challenging projects)

Chapter 6: Motivation Concepts

One defines motivation as a reason for engaging in a particular behavior towards attaining a goal. It relates to 3 key concepts: direction, intensity and persistence of human behavior. Intensity=how much one tries, direction= it leads to the desired outcome, persistence=how long one tries.

Early theories of motivation

Hierarchy of needs – Maslow pyramid

1st level -> Psychological – hunger, thirst, shelter, sex

2nd level -> Safety – security, protection

3rd level -> Social – friendship, belonging

4th level -> Esteem – respect, status, recognition

5th level -> Self-actualization – self- fulfilment

Lower order needs (psychological, safety) must be first satisfied so high-order needs (the rest) can be attained. One cannot move from satisfying psychological needs directly to social, because safety needs were not satisfied. Higher-order needs are often satisfied internally (within the person), lower-order needs are satisfied externally (pay, tenure) Later, Maslow's theory of needs was elaborated to ERG theory. This theory proposes only 3 core needs – existence, relatedness and growth.

 Theories X (negative) and Y (positive)

This theory is based on manager's assumptions of their employees. Theory X is full of assumptions such as: employees are lazy, dislike their work, everything is somebody's fault, employees' interest in job is restricted to just being paid, employee cannot be trusted. Theory Y is based on assumptions such as: employees may be ambitious, motivated, can handle work autonomy, can be given authority and be empowered. In terms of Maslow hierarchy, higher-order needs dominate individuals in theory Y, lower-needs dominate in theory X.

Two-factor theory (motivation-hygiene theory)

Theory developed by F. Herzberg. His studies proved that certain factors cause job satisfaction and a separate set of factors cause job dissatisfaction. Hygiene factors are: status, job security, salary, fringe benefits – if these factors are present, a worker won't be dissatisfied. If they are absent, workers will be dissatisfied. There are as well motivation factors: challenging work, recognition, responsibility, and empowerment. These factors give positive satisfaction. Despite many criticisms, this theory is widely known by managers.

McClelland's Theory of Needs

It focuses on 3 needs: need for achievement (nAch), need for power (nPow) and need for affiliation (nAff). These needs are subconscious. Researches focus mainly on nAch and the relationship between nAch and job performance. Critique: the theory has less practical approach than others and applying and measuring concept in practice is expensive and time-consuming.

Contemporary theories of motivation

Cognitive Evaluation Theory

Theory which addresses the effects of social contexts on intrinsic motivation. It states that if we think we will be able to complete the task, we will be intrinsically motivated to complete the task, requiring no further external motivation. And if we are extrinsically awarded for behavior which was previously intrinsically rewarding, then the general motivation level drops. Examples of extrinsic rewards: bonus, salary, verbal praise. Why does it happen?

1. When we are losing control over something, our (previous) intrinsic motivation lowers.

2. Absence of extrinsic reward changes one's reasons to work (example: mother asks you to clean your room – your behavior is influenced by an external factor, but with a course of time you begin to like your room looking clean and neat and you do cleaning

without your mother's requests, just because you are internally motivated, the cause of cleaning a room changes).

Critique: criticizing methodology and outcomes analysis. The effect of verbal and intangible award is different on intrinsic behavior of an individual. A recent modernized version of the theory is called self-concordance theory – it is degree to which a person's motives for pursuing a goal are consistent with the person's interests and core values (page 219, Organisational Behavior). If one is working to achieve intrinsic goal, it is more probably he will succeed and if he does not succeed he is still happy. On the other hand, if a person works to achieve extrinsic goals (e.g. money), then it is less probable he will succeed. Studies suggest that people whose work goals are connected with intrinsic motives achieve higher job satisfaction, perform better and there is a person-organisation fit.

Goal-setting Theory

This theory claims that providing specific, challenging and interesting goals, while giving constant feedback, results in better outcome. Acceptance of a goal, however hard it can be to achieve, results in higher effort to achieve it.

Why are we 'attracted' to difficult goals?

1. Because a difficult goal focuses us, makes us concentrate on it and diminishes distractions.

2. A difficult goal makes us more energetic and more hard- working because indeed we need to work better, harder to accomplish it.

3. Difficult goal equals more determination in pursuing it.

4. Difficult goal equals invention, finding new working methods to be more effective and efficient. In this whole process, feedback serves as guidance, check list of things that are done and need to be done.

Self-generated feedback is more effective than externally- generated feedback. There are also other factors that influence goal-setting effect: a) Goal commitment b) Task characteristic c) National culture. One can implement a programme called management by objectives (MBO) – setting SMART goals (specific, measurable, actionable, realistic and tangible). Elements of MBO: goal specificity, participation in decision making process, time period and feedback. MBO is similar to the goal-setting theory, only differ in participative goal-setting vs. manager assigned goals. MBO may not work due to unrealistic expectation, lack of commitment or the inability/unwillingness to reward according to goal accomplishment.

Self-efficacy Theory

Developed by Albert Bandura. It is based on one's confidence that he/she can perform/achieve a goal. The higher one's belief in succeeding (that is the higher one's

self-efficacy), the higher one's motivation and response to feedback. There are four methods of enhancing self-efficacy: enactive mastery-relevant experience with the task/job, vicarious modeling- gaining confidence by watching others performing the task, verbal persuasion-someone persuades you that you can succeed, and the enhancement of positive emotional responses by the reduction of stress reactions (arousal). Training programs use enactive mastery. The Galatea effect means communicating expectations directly to employees and self-fulfilling of this expectation.

Reinforcement Theory

It is opposite to goal setting theory, indicating that behaviors are environmentally caused. Not a motivation theory, but widely considered when discussing about motivation.

Equity Theory

This theory argues that employees compare their efforts and their outcomes with those of other employees, in case of inequities they act. There are four ways one can compare his inputs and outputs with those of co- worker: self-inside, self-outside, other-inside, other-outside. The moderating variables of comparison are gender, length of tenure, level in the organization and amount of education/professionalism. Same gender prefers references from the same gender. If one spots inequity, he can make the following decisions:

Change the input

Change the output

Choose a different referent

Distort perception of self

Distort perception of others

Leave the field (e.g. leave the job)

Equity was perceived from the employee's standpoint in the past (distributive justice), but now is increasingly perceived from the organisation's standpoint (organisational justice).

Expectancy Theory

Developed by Victor Vroom. Vroom's theory assumes that behavior results from conscious choices among alternatives whose purpose it is to maximize pleasure and to

minimize pain. Expectancy is the belief that increased effort will lead to increased performance i.e. if I work harder then this will be better. Focuses on 3 relationships:

Effort-performance relationship ("The harder I try, the better outcome will be")

Performance-reward relationship ("The more TVs I sell, the higher bonus I will get")

Reward-personal goal relationship ("The higher bonus I get, the better car I will buy")

Challenge: To combine these theories and understand the relations between them (Figure 6.10, page 161). Also, cultural differences must be considered.

Chapter 7: Motivation - applications

Job Characteristics Model

Motivating Potential Score (MPS) – index that estimates the job's motivating potential. It is calculated as:

MPS = ((skill variety + task identity + task significance)/3) x autonomy x feedback Motivating jobs needs to high at least on one of the three dimensions that create meaningfulness and on both autonomy and feedback. However, it is better to add the above characteristics to improve motivation, rather than using this complex model.

Job Redesign

Job rotation (employee is performing different tasks at different times, tasks shift, employee moves from one job to another which requires the same skills level). Reduce boredom, increase motivation, increase flexibility as employees have more skills. But it increases training costs, creates disruptions, reduce productivity.

Job enlargement (employee is performing more different and various tasks, his work is becoming more diverse and it horizontally widened) The application of job enlargement is not always successful, as employees may dislike the job even more.

Job enrichment (vertical widening of one's job, adding activities from different expertise fields, e.g. controlling, leading, planning, implementing, one has more responsibilities and independence). Reduces absenteeism, turnover costs, increase satisfaction, but doesn't work very well in productivity.

Alternative work arrangements

Flextime – flexible time work

Job sharing – two or more workers share a 40-hour week job

Telecommuting – working from home

Ability and opportunity

Performance may be calculated as = (ability x motivation x opportunity to perform). Opportunity to perform means absence of barriers that may limit the performance of an employee

Employee involvement programs

Participative management – joint decision making between employees are their supervisors

Representative participation – representation of employees who participate in organizational decision making instead of all workers participating in decision making, in form of works councils and board representatives.

Quality circles – volunteer group composed of workers who meet to talk about workplace improvement, and make presentations to management with their ideas, especially relating to quality of output in order to improve the performance of the organization, and motivate and enrich the work of employees.

Rewards as motivators

What to pay? Pay structure -> process of establishing pay level to balance internal and external equity. Pay more: better qualified, motivated and longer loyalty, but leads to very high cost.

How to pay? More and more organizations use variable-pay programs – refers to compensation that is received in addition to the base pay. The amount received may be linked directly to individual, team, division and/or organization performance, and is determined (typically) by a variety of measures important to the organization.

Piece-rate pay – employees is paid stable price for each unit of completed production. Limitation: not feasible and realistic for many jobs.

Merit-based pay – pay plan that is performance-related. It provides bonuses for workers who perform their jobs better, according to measurable criteria. Limitation: only valid upon the performance evaluation on which it is based; dependant on the pay raise pool, resisted by (trade) unions.

Bonuses – pay plan rewarding employees for latest performance (not past)

Skill-based pay - employees are paid on the basis of the number of job skills they have or have acquired or number of jobs they can perform. Limitation: the organization may pay the employees for acquiring skills which are not immediately needed.

Profit-sharing plan - various incentive plans introduced by businesses that provide direct (cash) or indirect (stock) payments to employees that depend on company's profitability in addition to employees' regular salary and bonuses

Gainsharing - program that returns cost savings to the employees, usually as a lump-sum bonus. It is a productivity measure, as opposed to profit-sharing which is a profitability measure

Employee stock ownership plan – plan in which employees can buy company's stock for below-market prices as benefits.

What benefits to offer? Flexible benefits enable employers to select the benefits that suit them. There are also 3 main types of benefits plan: modular plans, core-plus plans and flexible spending plans.

How to construct employee recognition programs? – Intrinsic rewards

Financial motivators (pay plans, wage) are effective in short-term, while intrinsic rewards are crucial motivator in long-term. Intrinsic rewards can be just informal thank you as well as the whole formally developed program. Intrinsic rewards plans are inexpensive but are vulnerable to politics of management.

Chapter 8: Emotions and moods

Affects

Also referred to as the experience of different feelings, can be divided into emotions and moods.

Emotions

Are more intense and have a contextual stimulus (they are caused by a person, situation, action, event); they usually last for seconds/minutes. Emotions: most of researches have agreed that there are 6 basic emotions: happiness-surprise-fear-sadness-anger-disgust.

Emotions are critical to rational thinking because they provide us with information regarding our comprehension of surrounding world. There are few functions of emotions. First set of functions is based on the concept if evolutionary psychology – it is concept which states that people need to experience emotions since they have a purpose. It is based on Darwin's theory that emotions help solve problems. There are researches who question evolutionary psychology because it may not be valid in case of all emotions (e.g. fear).

Moods

Are less intense and lack situational stimulus. Are usually not felt towards people and last longer than emotions. Moods are more cognitive while emotions are more behavioral (can lead us to action). Moods and emotions can influence each other. Emotion, if it is deep and lasting, and turn into mood.

Moods can be of negative or positive affect. Positive affect is a set of moods consisting of positive emotions, we distinguish high positive emotions: excitement, self-assurance, cheerfulness and low positive emotions: boredom, sluggishness and tiredness. Negative affect is a set of moods consisting of negative emotions, we distinguish high negative emotions: nervousness, stress and anxiety and low negative emotions: relaxation, tranquility and poise. Moreover, exists something like positivity offset what means that most of people experience slightly positive mood when nothing special is happening.

Sources of emotions/moods

Personality – people have tendencies to experience some moods/emotions/ Moreover, people also differ in how intense they experience emotions. This last concept is called affect intensity

Time – worst moods early in the week, best moods late in the week. Most positive emotions at mid-point between waking and sleeping, negative emotions highest in the morning and later average

Weather – weather has little influence on mood. What happens on the cultural level in the society is illusory correlation (people think that nicer whether makes them feel better) – it occurs when people associate some events when in reality there's no link between them

Stress – stress negatively influence moods/emotions

Social life – social activities make people experience positive emotions and also people experiencing positive emotions seek social activities

Sleep – poor sleep equals negative emotions (at work reduces job satisfaction).

Exercise – sport increase positive moods

Age – negative emotions occur less and less with age. With age, we are more emotionally wise

Gender – women are more emotionally expressive than men due to differences in socialization

Emotional labour

Emotional labour is form of emotional regulation in which workers are expected to display certain emotions as part of their job, and to promote organizational goals. The intended effects of these emotional displays are on other, targeted people, who can be clients, customers, subordinates or co-workers. What happens sometimes is emotional dissonance (showing one emotion while experiencing another), it is often a difference

between felt emotion and displayed emotion (displayed emotions/regulations are organisationally required and claimed as appropriate in a particular job).

 Employees can show displayed emotions by:

Surface acting - "painting on" affective displays, or faking; Surface acting involves an employee's presenting emotions on his or her "surface" without actually feeling them. Is more stressful than deep acting

Deep acting - attempt to change one's inner feeling to match emotion expressions that an organization requires (that is displayed emotions).

Affective events theory

Model developed to identify how emotions and moods influence job performance and job satisfaction. The model increases understanding of links between employees and their emotional reaction to things that happen to them at work.

Hypothesis:

Emotions affect different job satisfaction and job performance dimensions, such as

organizational citizenship, organizational commitment, workplace deviance, level of effort and intention to quit.

Emotional episode is actually a series of emotional experiences precipitated by a single event.

Current emotions always influence job satisfaction, also past emotions about the event influence the job satisfaction.

Since emotions/moods vary over time, their influence on performance varies.

Emotion-caused behaviors are rather short lasting and of high variability.

Emotions, even the positive ones, have negative influence on job performance.

Emotions provide valuable insight into understanding employees' behaviors.

Employees and managers cannot ignore emotions and events that influence them.

Emotional intelligence

EI is the self-perceived ability to identify, assess, and manage the emotions or emotional cues of one's self, of others, and of groups. It is a controversial concept in OB.

PROS EI

CONS EI

Intuitive appeal

Too vague for a concept

Predicts criteria that matter – High EI claimed to correlate to a better job performance

Can't be measured

EI is biologically based

Suspect validity

OB applications of moods and emotions

Selection -> More and more employers use EI tests when hiring.

Decision making -> Moods/emotions have an important influence on decision- making. Positive ones improve decision- making and problem- solving. Depression undermines performance.

Creativity -> Good moods contribute to creativity.

Motivation -> Organisations that promote positive moods are likely to have more motivated employees, thus there is a positive correlation between positive mood and higher motivation

Leadership -> Leaders usually are and should display emotions, like excitement, enthusiasm, etc… This is critical in persuading people/employees to new idea, strategy, vision.

Negotiation -> Moods and emotions may hamper negotiations. Displaying negative emotion may be effective, but feeling of poor performance may hinder future cooperation.

Customer Service -> sometimes employees experience emotional dissonance. Moreover, what employees feel may transfer to customers. It is called emotional contagion – "catching" or copying emotions from others.

Job attitudes -> People who had good day at work, usually are in good mood when coming back home that day and the same refers to bad day at work.

Deviant workplace behavior -> negative emotions may lead to deviant workplace behavior.

How managers can influence moods? -> By showing them a funny video – make them laugh, offering them pleasant beverage – using humor and showing appreciation for good job. When managers are rather in good mood then employees are positive as well. Use emotional contagion.

Global consequences

Degree to which people experience emotions varies across countries

Norms for expression of emotions differ across cultures

People's interpretations of emotions vary across cultures (some cultures value certain emotions more than others, but interpretations are basically similar)

Chapter 9: Foundations of Group Behavior

A group is defined as two or more people coming together to achieve an objective.

Group types

Formal group – a work group defined by organisational structure

Command group – group composed of people who report directly to a manager

Task group – composed of people working and aiming at completion of a task

Command groups are also task groups, but not necessarily vice versa.

Informal group – is not formally structured, formed by the needs of social contacts

Interest group – people working together to achieve some objective, but at the same time each and every single member is concerned about the issue/aim

Friendship group – people who share one or more common features/characteristics

Reasons to join a group: security, status, self-esteem, affiliation, power and goal-achievement.

Stages of group development

Five-Stage model

An alternative model for temporary groups with deadlines. Punctuated-equilibrium model

Five-stage model:

Stage 1. Forming: orientation, testing, dependence. Members come together to form a group.

Stage 2. Storming: conflict, emotionality, and resistance to influences and task requirements. Members become hostile and combative. Leadership is formed during this stage.

Stage 3. Norming: in-group feeling and cohesiveness develops, new standards evolve, new roles adopted. Members accept roles and behaviors of others.

Stage 4. Performing: the group becomes a functional instrument for dealing with tasks and present reality. Members have established norms and are able to diagnose problems and come up with solutions.

Stage 5. Adjourning: the group ends its existence, closure. For temporary groups, it is a stage when members prepare for group dissolution.

Assumptions:

What makes an effective group is more complex than the model suggests

Groups do not have to go through all the stages, they may jump e.g. from 1st to 4th stage

Stages may go simultaneously

Critique: the model ignores organisational context

Punctuated-equilibrium model:

Stages:

Setting the group's direction

First phase of group activity – inertia (inactivity, apathy, lethargy)

At the end of first phase a transition takes place (group has already used ½ its time)

Transition leads to major changes

Second phase of inertia follows transition

Group's last meeting can be described as accelerated activity

The model does not apply to all groups, but only those which work temporarily and have a set deadline to complete work.

Group properties

Roles: a set of expected behaviors ascribed to a person occupying a particular position in a social unit (e.g. one can have a role of student, son/daughter, (boyfriend, worker, etc.) Zimbardo's Prison Experiment shows that people quickly learn/assume roles, sometimes through stereotypes and information that mass media and other parties disseminate.

Role identity – situation when attitudes and behaviors are consistent with a role

Role perception – person's vision on how he/she should behave in a certain circumstances

Role expectations – how other people believe one should behave in a certain situation

Role conflict - takes place when one is forced to take on two different and incompatible roles at the same time and as a result he/she faces conflicting role expectations

Norms: standards of behavior shared by a group's members. Norms tell us what we should do in particular situations. Groups, communities, units, cultures, nations have norms. There are performance roles, appearance roles, social arrangement roles and resource allocation roles.

The Hawthorne studies proved that people behave differently if they are aware of being watched, observed, or examined, but as a group, they don't violate the norm established. They also emphasised the role of norms in one's work behavior.

As a member of a group, one often experiences the conformity phenomenon – it is the adjustment of one's behavior to align with the norms of the group. There are group norms which press us to conform with them, to be one of the group's members.

Deviant workplace behavior is intentional behaviors that violate organizational norms, which threatens the members and well-being of an organization (e.g. wasting resources, sabotage properties, spreading rumours, sexual harassment). Individuals who belong to a group are more likely to engage in deviant behaviors.

Status: is important because it can play the role of a motivator and due to inconsistencies between perceived and self-status it can have behavioral consequences.

The Status Characteristics Theory states that there are 3 sources of status:

The power a person wields over others

A person's ability to contribute to a group's goals

An individual's personal characteristics

There are a few correlations between status and norms. First of all, people of higher status are allowed for more deviations from norms and are more resistant to conformity phenomenon. There is also a tendency for high status people to be more assertive and to be more active in group interactions. Due to differences in status between group members, a group's work can suffer – people of lower status could contribute greatly to a group's work if it wasn't for their passiveness in group's discussions. Moreover, it is important for group members to think of others in a group as people of comparable, equitable status. E.g. hiring through relationship, contacts - differences in status creates tensions.

Size: the size of the group affects it's functioning. Smaller groups tend to be faster, but larger groups are better for complex problem-solving issues. General rule may be that large groups can put more diverse input, but smaller groups do it more productive. The concept of social loafing appears. This concept states that individuals try less when

working in a group than when working individually. To prevent this phenomenon the following tactics can be used: a) set group goals, b) increase competition within a group, c) set an evaluation plan – peers evaluate peers, d) distribute group rewards.

Cohesiveness: it is a degree of members attraction to each other combined with motivation to stay in the group. It is easier for smaller groups to achieve cohesiveness. Cohesiveness relates to group productivity. If performance-related norms are high, a cohesive group will experience more productivity.

What can encourage group cohesiveness? Smaller groups, consensus on common goals, more time spent tighter by group members, enhance the group's status, encourage competition with other groups, reward group, not just members, physically isolate the group.

Group decision- making

Group versus individual:

PROs GROUP DECISION MAKING

CONs GROUP DECISION MAKING

Generate more complete information and knowledge

More inputs to the decision making process

Enhance diversity of views – more perspectives, more solutions

Increased acceptance of a solution

Time consuming

Conformity phenomenon hinters the decision making process

Decision may be dominated by individual(s) in a group

Ambiguous responsibility, collective responsibility

Effectiveness:

When we take into account accuracy, group decision making is better, when speed is the concern, then individual decision making is more effective, In terms of creativity, groups will also bring more to the table.

Efficiency:

It takes longer for a group to make a decision than it does for an individual.

There are two phenomena that can take place in group decision -making: groupthink and groupshift.

Groupthink is exhibited by group members trying to minimise conflict and reach consensus, which can lead to a lack of critical testing, analysing, and evaluation of ideas. Conformity pressures are very high and group members decide to follow the ideas, thinking, and decisions made by others. There are few signs of groupthink:

Illusions of unanimity among group members; silence is viewed as agreement.

Self-censorship of ideas that deviate from the apparent group consensus.

Direct pressure to conform placed on any member who questions the group's consensus.

Rationalising warnings that might challenge the group's assumptions.

Groupthink does not characterise all groups. It happens more often when the group's identity and cohesiveness is high. Also groups that have a negative self image are more threatened by groupthink.

The remedies for groupthink can be:

Monitoring the size of the group. The bigger group, the more probable the occurrence of groupthink.

At least one group member should be assigned the role of Devil's advocate. This should be a different person for each meeting.

Leaders should be impartial and should encourage different opinions and views.

Using techniques that stimulate discussion.

Groupshift is a phenomenon in which the initial positions of individual group members become exaggerated because of the interactions of the group. Group opinions are more conservative than individual's. There are risky shifts and cautious shifts. More often, the shift is towards greater risk. The best explanation for that is that group diffuses responsibility and the accountability objects are not clearly defined and that's why members dare to take riskier decisions.

Group decision- making techniques

Interacting groups are typically groups where there is face-to-face contact.

Brainstorming is the idea-generation process or creativity-technique that is meant to generate many, different ideas in order to solve a problem. The drawback of this technique is that it is not efficient. Individuals are more productive in this respect; as

groups tend to face "production blocking" – many people talking at once, thoughts are blocked, communication is hampered.

Nominal group technique (NGT) is a decision making method for use amongst groups of many sizes who want to make their decision quickly, as by a vote, but where everyone's opinions are taken into account. Discussion and interpersonal communication are limited. NGT outperforms brainstorming.

Steps in NGT:

1. Silent generation of ideas - members meet and write down individually ideas on a sheet of paper.

2. Sharing ideas - each group member presents one idea to the group members. There are turns until all ideas are shared.

3. Group discussion – the group discusses ideas and clarifies them.

4. Voting and ranking – each member ranks ideas. The idea with the biggest amount of votes wins.

Electronic meeting or computer-assisted group:

Group members work with computers to make a decision. First issues are presented. Then, group members type their responses. On the projection screen there are comments and cumulated votes. Ideas that a person types, appears on the screens of the other team members. Advantages of this technique: anonymity, speed, honesty. However, researches showed that this method causes decreased group effectiveness, is time-consuming and leads to lower satisfaction than face-to-face meetings.

Global consequences:

Cultural differences affect status. It is important to know the role of status in a given culture.

Social loafing is consistent with individualistic cultures/societies, not with collective ones.

Group diversity (especially ethnical and cultural) can lead to increased conflict and low group morale. However, if they survive initial conflicts over time diverse groups perform better.