DegreeLive

BBA | Semester I | UK1MDCMGT101

Organisational Behaviour

Course Code: UK1MDCMGT101 • Module 2 Notes

Module 2: Individual Behaviour in Organizations

1. Individual Differences: Determinants and Biological Foundations of Personality

Individual differences constitute the bedrock of organizational psychology. No two human beings enter an enterprise with identical cognitive capacities, emotional dispositions, ethical orientations, or behavioral patterns. Understanding why people behave differently under identical workplace circumstances requires analyzing personality—the dynamic organization within the individual of those psychophysical systems that determine their unique adjustments to their environment.

Academic inquiry into personality determinants historically debated the relative influence of nature versus nurture:

- **Heredity (Nature):** Refers to biological, genetic, and physiological factors transmitted from parents at conception. Twin studies conducted by the Minnesota Center for Twin and Family Research demonstrate that approximately 40% to 50% of personality variance and job satisfaction is rooted in genetic endowments, including baseline temperament, energy levels, physical reflexes, and biological rhythms.
- **Environment (Nurture):** Encompasses the external socio-cultural forces that shape personality across an individual's developmental lifespan. These include early childhood family upbringing, religious traditions, peer group pressures, formal schooling, socioeconomic status, and broader cultural norms. Culture establishes foundational boundaries regarding what behaviors are rewarded, tolerated, or sanctioned.
- **The Situational Imperative:** Contemporary interactionist psychology demonstrates that while heredity sets broad biological parameters and environment conditions behavioral habits, immediate workplace situations moderate how personality traits manifest. In strong situations (rigid assembly lines with tight rules), individual personality differences are constrained; in weak situations (unstructured creative roles with high autonomy), individual personality traits express themselves vividly.

2. Personality Frameworks and Workplace Psychometrics

Organizational managers utilize standardized psychological frameworks to assess talent fit, compose balanced project teams, and anticipate interpersonal friction:

The Myers-Briggs Type Indicator (MBTI)

Based on Carl Jung's analytical psychological typologies, the Myers-Briggs Type Indicator classifies individuals along four dichotomous cognitive preference scales, generating sixteen distinct four-letter personality profiles:

- **Extraversion (E) vs Introversion (I):** Focus of psychological energy. Extraverts are energized by outer world social interaction, action-oriented collaboration, and breadth of activity; Introverts draw energy from inner world reflection, quiet contemplation, and focused depth.

DegreeLive

- **Sensing (S) vs Intuition (N):** Information gathering preference. Sensing types focus on concrete physical facts, observable realities, details, and practical experience; Intuitive types look at the big picture, abstract patterns, future possibilities, and creative connections.
- **Thinking (T) vs Feeling (F):** Decision-making criteria. Thinking types make decisions objectively based on impersonal logic, consistency, and cause-and-effect rules; Feeling types evaluate decisions subjectively based on personal values, empathy, harmony, and impact on people.
- **Judging (J) vs Perceiving (P):** Lifestyle orientation to the outer world. Judging types prefer structured, planned, ordered, and resolved environments; Perceiving types prefer spontaneous, flexible, open-ended, and adaptable arrangements.

The Big Five (Five-Factor) Model of Personality

While the MBTI is widely popular in corporate workshops, academic psychology overwhelmingly endorses the **Big Five Personality Model** (OCEAN) due to its empirical robustness, cross-cultural validity, and strong statistical correlation with actual job performance:

- **Openness to Experience:** The degree of an individual's intellectual curiosity, creative imagination, artistic sensitivity, and fascination with novelty. High scorers thrive in dynamic, fast-changing industries and creative R&D roles.
- **Conscientiousness:** A measure of personal discipline, organization, dependability, and persistence. Empirical research consistently proves that conscientiousness is the single strongest, most universal predictor of job performance across virtually all occupational categories. Highly conscientious employees set high goals and consistently achieve them.
- **Extraversion:** The comfort level with social relationships. Extraverts are assertive, talkative, socially energetic, and enthusiastic, correlating strongly with performance in managerial, customer-facing, and sales leadership positions.
- **Agreeableness:** Propensity to defer to others, exhibiting warmth, cooperativeness, empathy, and institutional trust. Highly agreeable employees excel in collaborative team settings and customer service dispute resolution.
- **Emotional Stability (Neuroticism):** A person's ability to withstand psychological stress. Individuals with high emotional stability remain calm, poised, confident, and resilient under intense workplace pressure; low scorers (high neuroticism) experience chronic anxiety, self-doubt, irritability, and vulnerability to burnout.

Other Critical Personality Traits Influencing Workplace Behaviour

- **Locus of Control:** The degree to which people believe they control their own destiny. *Internals* believe their own efforts, skills, and decisions govern their life outcomes, exhibiting higher initiative, lower absenteeism, and proactive career advancement. *Externals* believe their lives are governed by external forces, luck, fate, or powerful others, exhibiting passivity and fatalism.
- **Machiavellianism (High-Mach):** Named after Niccolo Machiavelli, pragmatic individuals who maintain emotional detachment, believe that the end justifies the means, and excel in persuasion, negotiation, and political maneuvering where face-to-face bargaining is rewarded.

DegreeLive

- **Self-Monitoring:** The capability to adjust one's behavior to external situational and environmental cues. High self-monitors are highly adaptable chameleons who adjust their public demeanor to situational expectations, excelling in cross-functional liaison roles and upward impression management.

3. Interpersonal Awareness: Johari Window and Transactional Analysis

Interpersonal friction in organizations often stems from blind spots in self-awareness and dysfunctional communication patterns. Behavioural scientists deploy two classical diagnostic instruments to enhance interpersonal effectiveness:

The Johari Window Framework

Developed by Joseph Luft and Harry Ingham in 1955, the Johari Window maps interpersonal awareness across four perceptual panes based on what is known versus unknown to oneself and others:

Awareness Dimension	Known to Others	Not Known to Others
Known to Self	**Open / Arena Pane:** Shared knowledge, public behavior, transparent skills, and open feelings. High open pane enables high trust and teamwork.	**Hidden / Facade Pane:** Information known to self but concealed from others (private fears, secret ambitions, hidden doubts) due to fear of vulnerability.
Not Known to Self	**Blind Spot Pane:** Behaviors, habits, and unconscious flaws visible to colleagues but unperceived by the individual (e.g., disruptive meeting habits, arrogance).	**Unknown Pane:** Subconscious potentials, repressed memories, and dormant talents unrecognized by both self and colleagues until revealed under crisis.

Interpersonal growth occurs through two deliberate behaviors: **Seeking Feedback** from colleagues (which shrinks the Blind Spot and expands the Open Arena) and **Self-Disclosure** (which shrinks the Hidden Facade and builds mutual trust).

Eric Berne's Transactional Analysis (TA)

Formulated by psychiatrist Eric Berne, Transactional Analysis evaluates interpersonal interactions (transactions) through the lens of internal psychological states:

- **The Three Ego States (PAC Model):**
  - **Parent Ego State:** Tapes recorded in early childhood from parental figures. Manifests as the *Critical Parent* (moralizing, judgmental, rule-enforcing, punitive) or the *Nurturing Parent* (supportive, protective, reassuring).
  - **Adult Ego State:** An objective, rational, reality-testing data processor. Evaluates information dispassionately, makes logical choices, and communicates respectfully without emotional reactivity.

    - **Child Ego State:** Emotional reactions and impulses preserved from childhood. Manifests as the *Natural Child* (creative, joyful, spontaneous), the *Adapted Child* (conforming, submissive, fearful of authority), or the *Rebellious Child* (defiant, aggressive, resisting control).

- **Types of Transactions:**
    - **Complementary Transactions:** The communication arrow from one ego state elicits the expected response from the targeted ego state (e.g., Adult-to-Adult: "What time is the report due?" → "It is due at 3 PM."). Communication can continue indefinitely.
    - **Crossed Transactions:** An unexpected ego state responds (e.g., Adult-to-Adult inquiry met with Critical Parent: "Why can't you keep track of your own schedule?"). Triggers immediate interpersonal conflict and conversational breakdown.
    - **Ulterior Transactions:** Involves two levels of communication simultaneously—a socially acceptable surface message masking a hidden psychological manipulation.
- **Life Positions (OKness Framework):** Four fundamental psychological stances toward oneself and others: "I'm OK, You're OK" (the healthy, collaborative, optimistic stance); "I'm OK, You're Not OK" (arrogant, blaming, persecuting); "I'm Not OK, You're OK" (submissive, depressive, feelings of inferiority); "I'm Not OK, You're Not OK" (hopeless, nihilistic, resigned despair).

4. Values, Attitudes, and Job Satisfaction Dynamics

Values represent basic convictions that a specific mode of conduct or end-state of existence is personally or socially preferable to an opposite mode. Values are stable, enduring, and foundational, establishing an individual's moral compass. Milton Rokeach classified values into **Terminal Values** (desirable end-states of existence: prosperous life, world peace, self-respect) and **Instrumental Values** (preferable modes of behavior to achieve terminal values: honesty, ambition, capability, courage).

Attitudes and the Tripartite (ABC) Model

Attitudes are evaluative statements—favorable or unfavorable—concerning objects, people, or events. They reflect how an individual feels about something. Psychologists structure attitudes across three interconnected components:

- **Cognitive Component:** The belief, knowledge, or informational segment of an attitude (e.g., "My supervisor micromanages my daily schedule, which limits my productivity.").
- **Affective Component:** The emotional or feeling segment of an attitude (e.g., "I feel angry, frustrated, and demotivated when I am micromanaged.").
- **Behavioral Component:** An intention to behave in a certain way toward someone or something (e.g., "I am updating my resume and applying for transfer to another department.").

DegreeLive

Leon Festinger's Cognitive Dissonance Theory

In 1957, Leon Festinger formulated the Theory of Cognitive Dissonance, proposing that human beings possess an intrinsic drive for consistency between their attitudes and their behaviors. **Cognitive Dissonance** refers to the uncomfortable psychological tension an individual experiences when holding two conflicting beliefs, or when their behavior directly contradicts their expressed attitudes (e.g., an environmentally conscious employee working for an enterprise that discharges industrial pollutants). Individuals resolve dissonance by: altering their behavior, changing their attitude, or rationalizing the contradiction by introducing compensatory cognitive beliefs.

Job Satisfaction and Employee Responses to Dissatisfaction

Job satisfaction describes a positive emotional feeling resulting from the appraisal of one's job experiences. Discontented employees express dissatisfaction along two fundamental behavioral dimensions: Constructive vs Destructive, and Active vs Passive. This yields the celebrated **EVLN Model**:

- **Exit (Active / Destructive):** Directing behavior toward leaving the enterprise, including searching for alternative employment and resigning.
- **Voice (Active / Constructive):** Actively and constructively attempting to improve conditions, including suggesting operational improvements, discussing problems with supervisors, and union grievance filing.
- **Loyalty (Passive / Constructive):** Passively but optimistically waiting for conditions to improve, trusting the organization and defending it against external criticism.
- **Neglect (Passive / Destructive):** Passively allowing workplace conditions to deteriorate, manifesting in chronic absenteeism, late arrival, reduced effort, and increased error rates.

5. Emotions, Moods, and Emotional Intelligence (EI)

For decades, classical business theory championed a myth of rationality, assuming that emotions had no place in professional organizations. Contemporary psychology completely dismantled this misconception, proving that cognitive reasoning and emotions are neurologically intertwined.

Emotions versus Moods

Psychologists distinguish between discrete emotional reactions and general moods:

- **Emotions:** Intense, brief psychological feelings directed at a specific person or event (e.g., acute anger toward an insulting client, pride upon winning an award). Accompanied by distinct facial expressions and physiological arousal.
- **Moods:** Diffuse, longer-lasting feelings that lack a specific contextual cause (e.g., feeling cheerful or irritable for an entire morning without knowing why). Divided along positive and negative affectivity.

DegreeLive

Emotional Labor and Display Rules

Coined by sociologist Arlie Hochschild, **Emotional Labor** refers to an employee's expression of organizationally desired emotions during interpersonal transactions at work (e.g., flight attendants smiling warmly, funeral directors exhibiting solemn empathy). Employees manage emotional labor through:

- **Surface Acting:** Hiding one's inner feelings and faking required outward emotional displays. Surface acting induces severe emotional dissonance, stress, and burnout.
- **Deep Acting:** Modifying one's true inner feelings to match required display rules (e.g., attempting to genuinely empathize with an angry customer). Deep acting minimizes emotional dissonance and reduces psychological strain.

Daniel Goleman's Emotional Intelligence (EI) Framework

Popularized by psychologist Daniel Goleman, Emotional Intelligence refers to the capacity to recognize, understand, and manage our own emotions and the emotions of others. Research proves that EI is often a far stronger predictor of executive leadership excellence than raw cognitive IQ. Goleman organized EI across five foundational competencies:

- **Self-Awareness:** The ability to accurately recognize and understand one's own moods, emotions, and behavioral drivers, along with their impact on others.
- **Self-Regulation:** The capability to control or redirect disruptive impulses and moods, maintaining composure and integrity under intense provocation.
- **Internal Motivation:** A passion to work for reasons that go beyond money or status—pursuing goals with energy, persistence, and optimistic resilience.
- **Empathy:** The skill in understanding the emotional makeup of other people and treating them according to their emotional reactions, vital in managing diverse teams.
- **Social Skills:** Proficiency in managing interpersonal relationships, building rapport, finding common ground, and persuading others.

6. Perception: The Perceptual Process and Cognitive Distortions

Perception is the psychological process through which individuals organize and interpret their sensory impressions to give meaning to their environment. Crucially, in organizational behaviour, people do not act on reality itself; they act on their **perception of reality**. Two managers observing the exact same financial metric may perceive entirely different operational situations.

The Perceptual Selection and Organization Process

Human sensory apparatus is inundated with millions of bits of data every second. To manage cognitive overload, individuals filter information through the perceptual filter: receiving sensory inputs → selective attention → organization into cognitive schemas → interpretation → behavioural reaction.

Perceptual Errors and Systematic Cognitive Biases

Shortcuts in perceptual processing frequently introduce severe cognitive distortions:

- **Selective Perception:** The tendency to selectively interpret what one sees based on one's own interests, background, experience, and attitudes.
- **Halo Effect and Horns Effect:** Drawing a general positive impression (Halo) or negative impression (Horns) of an individual based on a single prominent characteristic.
- **Stereotyping:** Judging someone on the basis of one's perception of the demographic or social group to which that person belongs.
- **Contrast Effects:** Evaluation of a person's characteristics that is affected by comparisons with other people recently encountered who rank higher or lower on the same characteristics.
- **Projection:** Attributing one's own traits, motives, or feelings to other individuals (e.g., a dishonest manager assuming all subordinates are dishonest).

Harold Kelley's Attribution Theory

Attribution theory explains how we judge people differently depending on what meaning we attribute to a given behavior. We determine whether behavior is **Internally Caused** (under the individual's personal control) or **Externally Caused** (forced by outside environmental constraints). Kelley identified three diagnostic determinants:

- **Distinctiveness:** Does the individual behave this way in different situations? (High distinctiveness → External attribution).
- **Consensus:** Do other people facing a similar situation respond the same way? (High consensus → External attribution).
- **Consistency:** Does the person respond the same way over time? (High consistency → Internal attribution).

Attribution is distorted by two universal errors: the **Fundamental Attribution Error** (the tendency to underestimate the influence of external factors and overestimate internal personal factors when judging others' failures) and the **Self-Serving Bias** (attributing our own successes to internal ability while blaming our failures on external bad luck).

7. Work Motivation: Content and Classical Behavioral Theories

Motivation represents the psychological processes that account for an individual's intensity, direction, and persistence of effort toward attaining organizational goals. Content theories of motivation focus on identifying the specific internal needs that energize human action.

Abraham Maslow's Need Hierarchy Theory

Maslow hypothesized that within every human being exists a hierarchy of five progressive needs: (1) Physiological needs (hunger, thirst, shelter); (2) Safety needs (security, physical protection, job stability); (3) Social / Belongingness needs (affection, friendship, acceptance); (4) Esteem needs (internal factors like self-respect and autonomy, external factors like status and recognition); (5) Self-Actualization needs (growth, achieving one's potential, self-fulfillment). Maslow asserted that substantially satisfied needs cease to motivate; an individual progresses upward through the hierarchy.

Frederick Herzberg's Two-Factor (Motivation-Hygiene) Theory

Herzberg proposed that the opposite of satisfaction is not dissatisfaction, but no satisfaction. He categorized workplace factors into two distinct categories:

- **Hygiene Factors (Extrinsic):** Company policies, supervisory quality, working conditions, salary, job security, and peer relations. When adequate, hygiene factors eliminate dissatisfaction, but they do not motivate employees or create satisfaction.
- **Motivators (Intrinsic):** Achievement, recognition, challenging work, responsibility, advancement, and personal growth. Motivators directly generate deep job satisfaction and high operational performance.

Douglas McGregor's Theory X and Theory Y

McGregor proposed two contrasting managerial views of human nature: **Theory X** (pessimistic, assumes employees inherently dislike work, are lazy, avoid responsibility, and must be coerced to perform) and **Theory Y** (optimistic, assumes employees view work as natural as play, exercise self-direction, seek responsibility, and possess widespread creative problem-solving capabilities).

William Ouchi's Theory Z

Ouchi synthesized American and Japanese management practices into **Theory Z**, emphasizing long-term employment, collective decision-making, individual responsibility, slow evaluation and promotion, holistic concern for employees, and implicit, informal control accompanied by explicit measures.

8. Contemporary Process Theories of Work Motivation

While content theories focus on what internal needs energize human behavior, process theories examine the cognitive mechanisms through which effort is initiated, sustained, and directed toward organizational goals.

David McClelland's Acquired Needs Theory

David McClelland proposed that individuals acquire three fundamental psychological needs through their life experiences and cultural background:

- **Need for Achievement (nAch):** The drive to excel, achieve in relation to a set of standards, and strive to succeed. High-nAch individuals prefer jobs offering personal responsibility for solving problems, rapid and unambiguous performance feedback, and moderate, calculated risks (avoiding both trivial tasks and speculative gambles). While high-nAch individuals make exceptional individual contributors and entrepreneurs, they do not necessarily make good corporate managers because they prefer executing tasks themselves rather than delegating through others.
- **Need for Power (nPow):** The desire to have impact, to be influential, and to control or direct others. McClelland distinguished between *Personalized Power* (exploitative, selfish domination) and *Socialized / Institutional Power* (channeling influence to empower teams, clarify

organizational vision, and achieve collective goals). Institutional power is the single strongest indicator of managerial leadership excellence.

- **Need for Affiliation (nAff):** The desire for friendly and close interpersonal relationships, mutual understanding, and social acceptance. High-nAff individuals thrive in cooperative team climates, but struggle with making difficult, objective disciplinary decisions as executives.

Victor Vroom's Expectancy Theory of Motivation

Victor Vroom formulated the Expectancy Theory, arguing that the strength of an employee's motivation to act in a certain way depends on the strength of an expectation that the act will be followed by a given outcome, and on the attractiveness of that outcome to the individual. Motivation is mathematically formulated as:

$$\textit{Motivation Force} = \textit{Expectancy} \times \textit{Instrumentality} \times \textit{Valence}$$

The model rests upon three critical cognitive links:

- **Expectancy (Effort → Performance):** The perceived probability that exerting a given amount of effort will successfully lead to acceptable job performance (0 to 1 scale). Expectancy is undermined by inadequate training, defective equipment, or unrealistic performance quotas.
- **Instrumentality (Performance → Reward):** The degree to which the employee believes that achieving acceptable performance will directly lead to the receipt of promised organizational rewards (0 to 1 scale). If promotions are based on nepotism rather than merit, instrumentality collapses to zero.
- **Valence (Value of Rewards):** The emotional value or attractiveness that an individual places upon the potential outcome or reward (−1 to +1 scale). Because different individuals value different rewards (e.g., one values an executive bonus, another values flexible telecommuting hours), rewards must be personalized to maintain high valence.

If any single variable in the multiplicative equation equals zero, the total motivational force collapses completely.

J. Stacy Adams' Equity Theory of Workplace Fairness

Stacy Adams formulated Equity Theory, stating that employees compare their job inputs (effort, education, experience, skill, time) and job outcomes (salary, recognition, promotions, praise) with those of relevant comparison persons (referent others). The equity evaluation compares the ratios:

$$\textit{(Personal Outcomes} \div \textit{Personal Inputs) versus (Referent Outcomes} \div \textit{Referent Inputs)}$$

When the ratios are perceived as equal, a state of equity exists. When the ratios are unequal, equity distress emerges in two distinct forms:

- **Under-Rewarded Inequity:** When an employee's ratio is lower than the referent's ratio. This triggers deep anger, resentment, and active cognitive distress. Employees restore balance by reducing their inputs (working slower, cutting hours), demanding higher outcomes (requesting

raises or grievance hearings), cognitively distorting their perceptions, choosing a different referent, or exiting the organization.

- **Over-Rewarded Inequity:** When an employee's ratio exceeds the referent's ratio, generating feelings of guilt. However, psychological research demonstrates that employees quickly engage in cognitive rationalization, convincing themselves that their superior pay is fully justified by their unique talents.

Edwin Locke's Goal-Setting Theory

Empirical research conclusively demonstrates that specific, challenging goals produce higher performance than vague platitudes like "do your best." Goal-Setting Theory posits that goals direct attention, energize effort, encourage persistence, and stimulate the development of strategic task plans. Effective goal setting requires:

- **Goal Specificity:** Concrete, measurable operational targets (e.g., "reduce defect rates by 12% in the second quarter").
- **Optimal Goal Difficulty:** Challenging goals that stretch employee capabilities without being perceived as impossible or demoralizing.
- **Continuous Performance Feedback:** Real-time progress monitoring enabling employees to adjust their effort and tactics.
- **Goal Commitment and Participation:** Employees must genuinely accept and commit to the goals, which is enhanced when subordinates participate in establishing their own targets.

9. Job Design and the Job Characteristics Architecture

Job design specifies the contents, methods, and relationships of jobs to satisfy organizational requirements while meeting the personal and social needs of the jobholder.

The Hackman and Oldham Job Characteristics Model (JCM)

J. Richard Hackman and Greg Oldham formulated the Job Characteristics Model, proposing that any job can be analyzed along five core dimensions that induce three critical psychological states, resulting in superior personal and work outcomes:

- **1. Skill Variety:** The degree to which a job requires a variety of different activities involving different skills and talents.
- **2. Task Identity:** The degree to which a job requires completion of a whole and identifiable piece of work from beginning to end with a visible outcome.
- **3. Task Significance:** The degree to which a job has a substantial impact on the lives or work of other people, whether within the enterprise or in external society.
- **4. Autonomy:** The degree to which a job provides substantial freedom, independence, and discretion in scheduling work and determining operational procedures.
- **5. Feedback:** The degree to which carrying out the work activities generates direct and clear information regarding performance effectiveness.

DegreeLive

These five core dimensions combine mathematically into the **Motivating Potential Score (MPS)**:

$$\textit{Motivating Potential Score (MPS)} = [\ (\textit{Skill Variety} + \textit{Task Identity} + \textit{Task Significance}) \div 3\ ] \times \textit{Autonomy} \times \textit{Feedback}$$

Notice that Autonomy and Feedback enter the formula multiplicatively. If a job possesses zero autonomy or zero feedback, its overall motivating potential collapses to zero, regardless of how varied or significant the tasks may be. Managers elevate MPS through **Job Enrichment** (vertical loading of authority and planning responsibility) and **Job Crafting** (employees proactively reshaping their task and relational boundaries).

Through the rigorous understanding of personality psychometrics, emotional intelligence, perceptual accuracy, and human motivational needs, contemporary managers unlock human potential and cultivate high-performing organizational cultures.

DegreeLive