

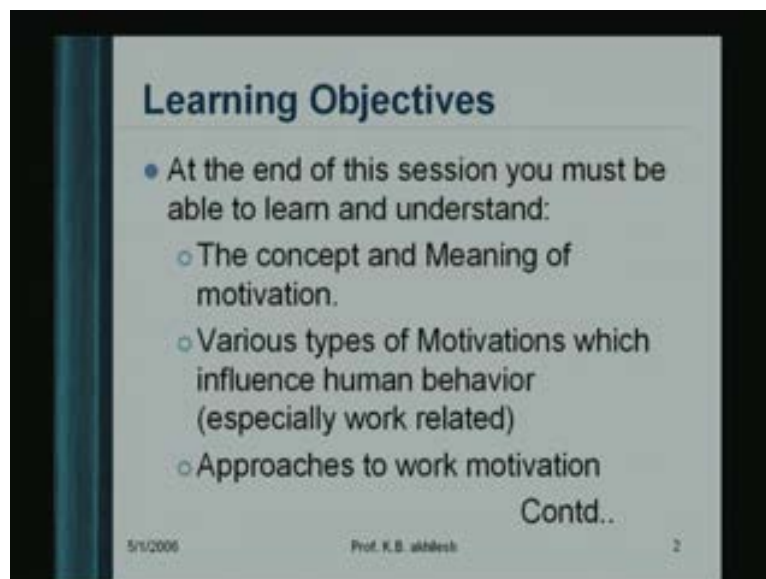
**Concept of Management and Evolution of Management Thought**  
**Prof. K. B. Akhilesh**  
**Department of Management Studies**  
**Indian Institute of Science, Bangalore**

**Lecture - 11**  
**Motivation and Organization Culture**

Hello in today's lecture, we will talk about motivation and organizational culture. So far we have seen the evolution of management, various functions of management in understanding, how to achieve the organizational goals, we have talked about planning, organizing, coordination, controlling also leadership and communication. In my last lecture, I elaborated different dimensions of controlling.

Today, we will look into this motivation and how to sustain how to build organizational culture which will energize people to perform to their maximum extent. So that means we are now moving to focus on some of the individual behaviors, individual behaviors which are important to ensure smooth conduct of the business, coordination of various activities and goal directed behavior to ensure success and excel in whatever the activities of the organization.

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**Learning Objectives**

- At the end of this session you must be able to learn and understand:
  - The concept and Meaning of motivation.
  - Various types of Motivations which influence human behavior (especially work related)
  - Approaches to work motivation

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The learning objectives if you see at the end of this session, you must be able to learn and understand the concept and meaning of motivation, various types of motivations which influence human behaviour especially work related behaviors, approaches to work motivations how people have approached this problem and we will also focus on the concept of organizational culture and creating and maintaining the organizational culture.

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**Learning Objectives**

- concept of organization culture
- Creating and maintaining Organization Culture

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**Meaning of Motivation**

- Why people behave the way they do on their job?
- The answer to the above question is, in the opinion of many investigators, is MOTIVATION.
- Motivation is the most important focus of micro approach to Organizational Behavior.

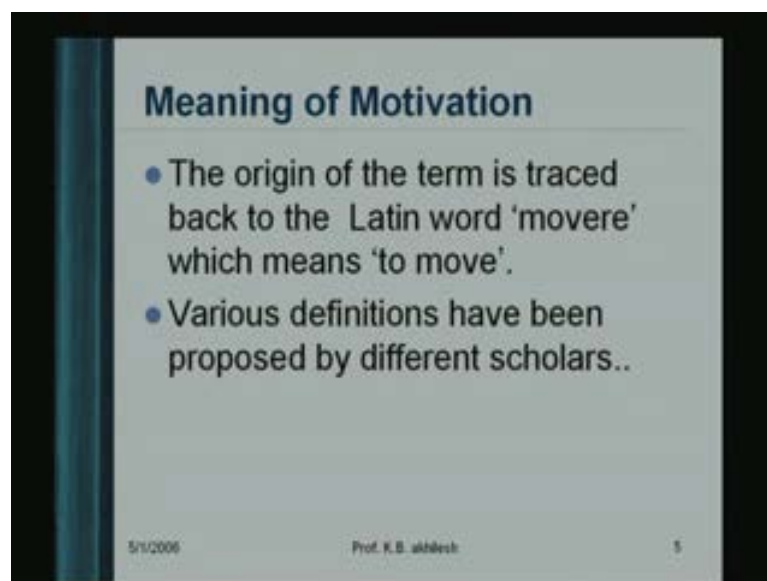
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So, let us focus on the different dimensions of the motivation. First of all let us focus on the meaning of motivation, as we see motivation means the people look for what is to be done in the organization but something energizes them, something makes them to do things better.

So in that respect if you see we need to ask the question why people behave the way they do on their job, some take the job very easy, some people have to be told several times, some people are committed, some people go beyond the call of the duties, some behave they are workaholics, some cannot live without work, some hate to come to the organization, they hate other individuals, what is that what does that make in terms of getting the best out of the person makes one to think about various dimensions of motivation.

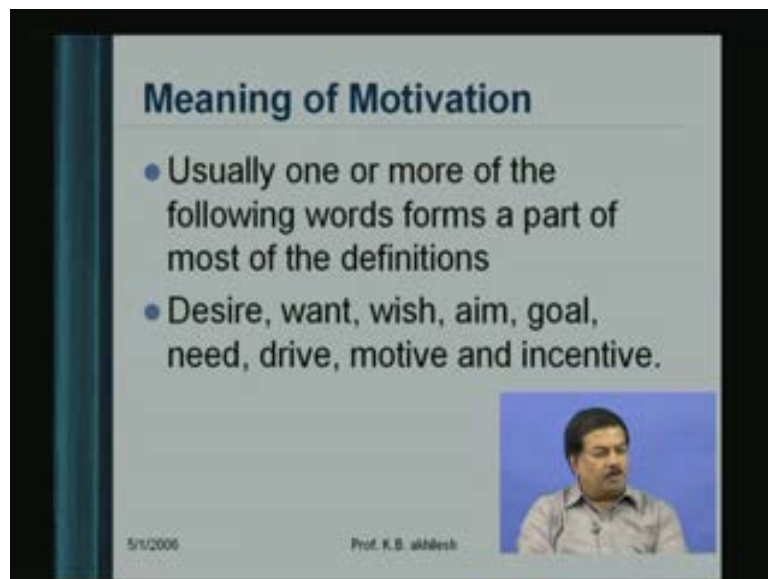
So the answer to the above question is in the opinion of many investigators is to understand this word motivation. It is the important focus of micro approach to organizational behavior, in organizational behaviour we focus on behaviors of the organization and behaviors in the organization. So behaviors in the organization can be seen at the individual level as well as at the team level. So the work and the team, work and the individual will help us to look into this motivation. So how individuals gets committed to the task the activities excellence and similarly how group approaches the problem, once we analyze these two probably we will appreciate the evolution of the various motivational theories and how different organization attempt to get the best out of their people.

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So the term if you see it is traced back to the Latin word “movere” which means to move various definitions have been proposed by different scholars, I will try to elaborate on each of these the set of views as only illustrative not exhaustive review of definitions of motivation usually one or more of the following words, forms a part of most of the definitions. So, people talk about desire, want, wish, aim, goal, need, drive, motive and incentive. So when you see any number of definitions if you see all of these things will become relevant.

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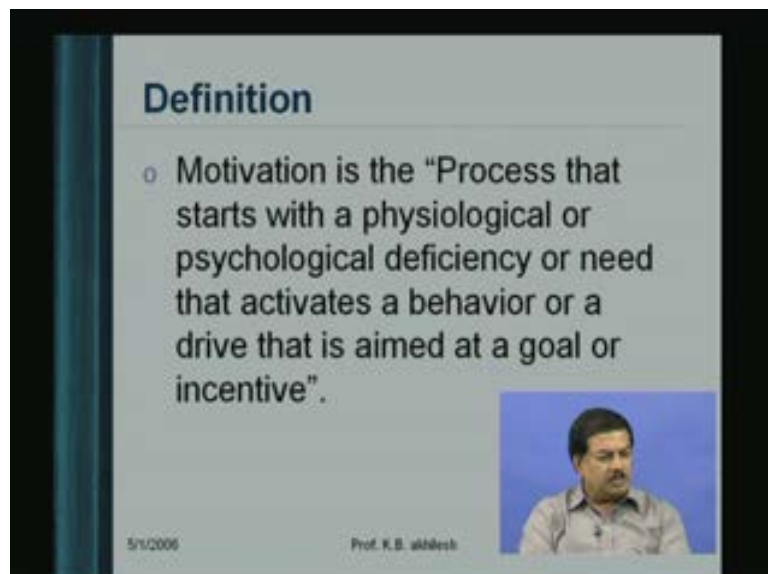
**Meaning of Motivation**

- Usually one or more of the following words forms a part of most of the definitions
- Desire, want, wish, aim, goal, need, drive, motive and incentive.

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This slide features a title 'Meaning of Motivation' in bold blue text. Below the title are two bullet points. The first bullet point states that usually one or more of the following words forms a part of most of the definitions. The second bullet point lists the words: Desire, want, wish, aim, goal, need, drive, motive and incentive. In the bottom right corner, there is a small video inset showing a man with a mustache, identified as Prof. K.B. Akhlesh, speaking. The date 5/1/2006 is visible in the bottom left corner.

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**Definition**

- Motivation is the “Process that starts with a physiological or psychological deficiency or need that activates a behavior or a drive that is aimed at a goal or incentive”.

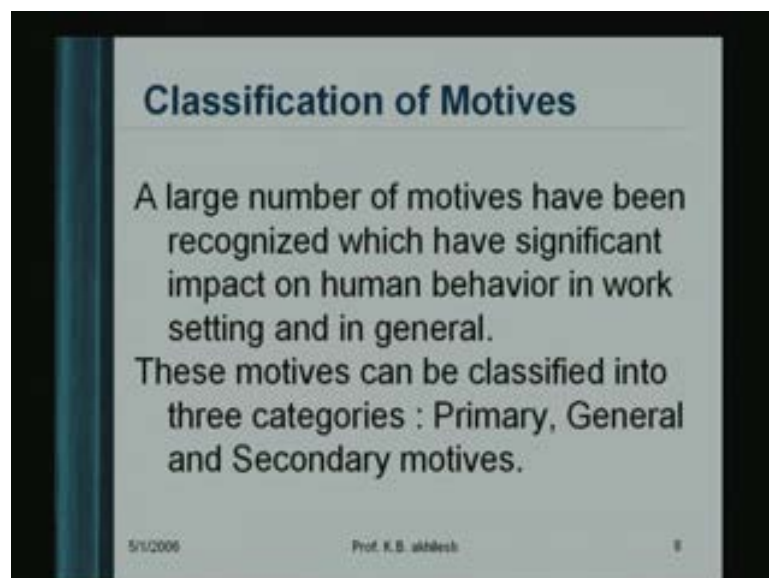
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This slide features a title 'Definition' in bold blue text. Below the title is a single bullet point with a circle icon, defining motivation as the process that starts with a physiological or psychological deficiency or need that activates a behavior or a drive that is aimed at a goal or incentive. In the bottom right corner, there is a small video inset showing a man with a mustache, identified as Prof. K.B. Akhlesh, speaking. The date 5/1/2006 is visible in the bottom left corner.

Let us look at the the view of the process view right motivation is the process that starts with a physiological or psychological deficiency or need that activates a behavior or a drive that is aimed at a goal or incentive. So when you look at this definition looks very complicated but please underline these words, what are the words, so there is a physiological or psychological deficiency or it is also stated as a need. So you imagine that you are going from one place to the other, so you feel like eating something that means you are having feelings of hungry. So you are feeling hungry and then, so what happens when you are hungry then suddenly you start seeing the board of every hotel you start searching for where it is.

So the need influences your perception and also you start seeking out where is the next hotel where is that I can eat what I want, so all of these boards become much more meaningful that is what is the kind of the seeking behavior or this motivated behavior that is driven by that your need for, your need for hunger. So now once you are not hungry, once your stomach is full then the same hotel boards have no meaning probably, you look for something else depending upon what you require. So the needs are temporary similarly, the motivated behaviors are also temporary, if it is physiological things but when you look at psychological deficiency. So that means you are looking for something more.

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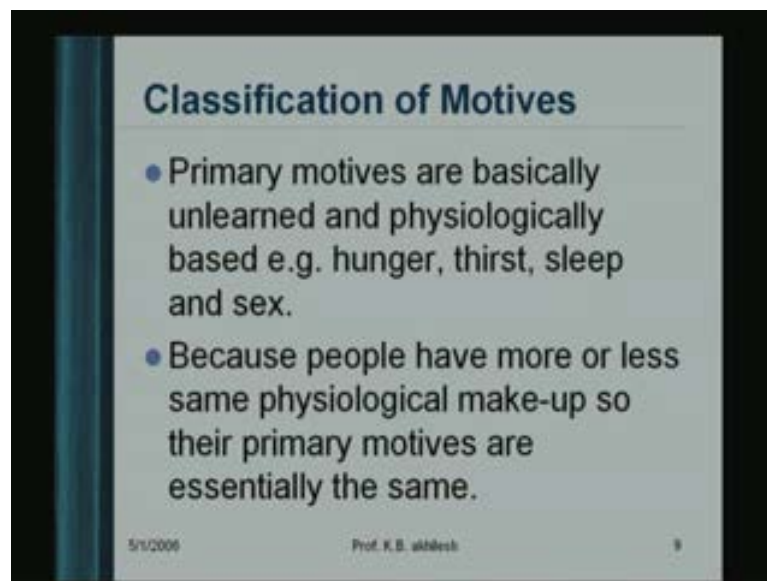


So we will elaborate on these things, what are the psychological needs and what it could mean, look at the classification of motives, the large number of motives have been recognized

which have significant impact on human behavior in work setting and in general, these motives can be classified into 3 categories primary, general or secondary motives. So that is when you see why people do certain things right.

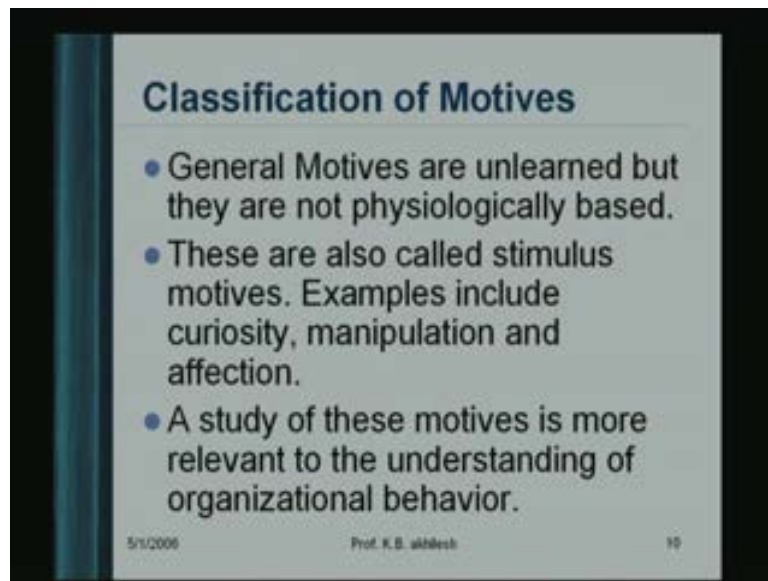
So at one time some may be going to the gym, gymnasium to improve his physical well being okay. This is could be at a kind of a very primary thing but there could be a secondary motive, the secondary motive is there are several people of a same age group people come, so you want to make goods friends. So we would like to go it is not only because of that primary requirement which may see as an apparently, what is visible but there could be secondary needs as you go there you also can hear some music, you can also make friends. So there could be many other things which can come as as the next level of requirements.

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So when you see this primary motives are basically unlearned and physiologically based hunger, thirst, sleep and sex because people have more or less same physiological make-up, so their primary motives are essentially the same. So what they are likely do to to meet their physiological needs can be attributed comfortably whereas the general motives are unlearned but they are not physiologically based. These are also called as stimulus motives examples include curiosity manipulation or affection things like that. So the study of these motives is more relevant to the understanding of organizational behavior.

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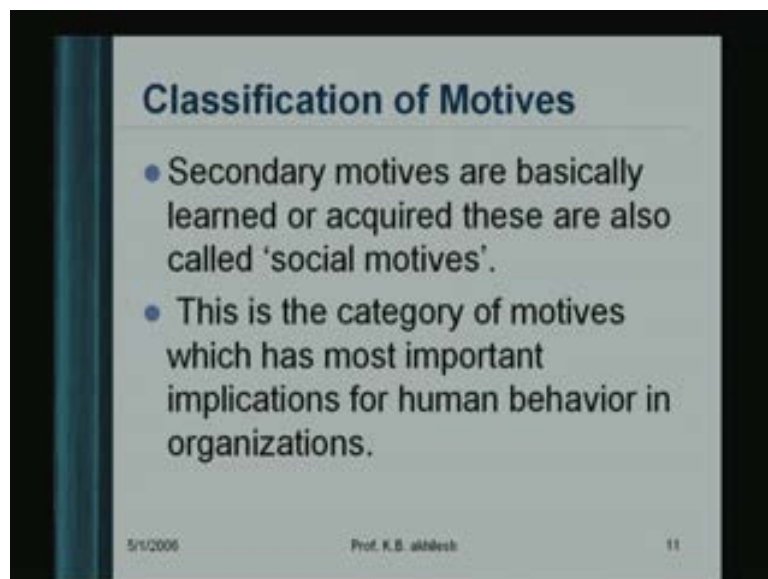


**Classification of Motives**

- General Motives are unlearned but they are not physiologically based.
- These are also called stimulus motives. Examples include curiosity, manipulation and affection.
- A study of these motives is more relevant to the understanding of organizational behavior.

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**Classification of Motives**

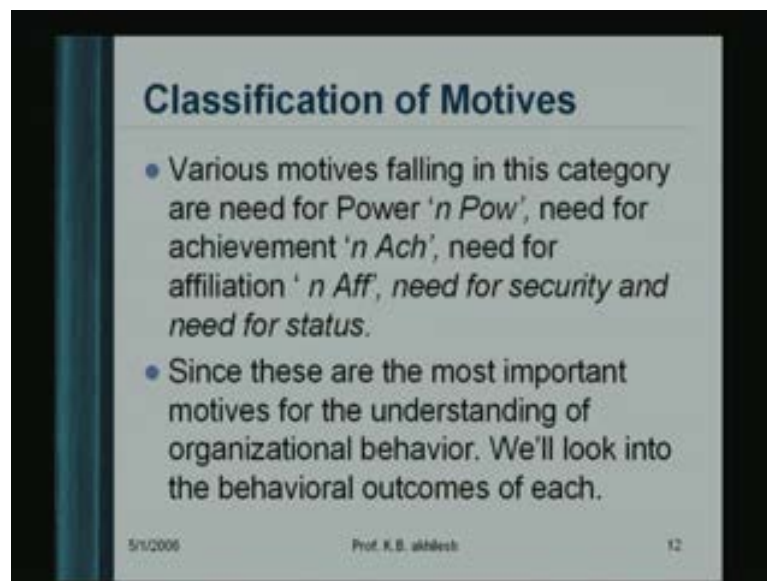
- Secondary motives are basically learned or acquired these are also called 'social motives'.
- This is the category of motives which has most important implications for human behavior in organizations.

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So, the physiological basis of behaviors are important but you also you would like to see what are those the general motives of the individual. The secondary motives are basically learned or acquired these are also called as the social motives, it depends upon the kind of group what you are in where how you belong. So this is the category of motives which has most important implications for human behavior in organizations, certain things become important the status status consciousness comes around the group and the where you belong

and many of the requirements what we see nothing to do with, with the basic physiological needs but it comes because of the social group to which you are a member. So let us try and see some more things, so the classification of motives as we see in the various motives falling in this category are need for power called as the “n Pow” need for achievement “n Ach” that is what is the abbreviation, need for affiliation, need for security, need for status.

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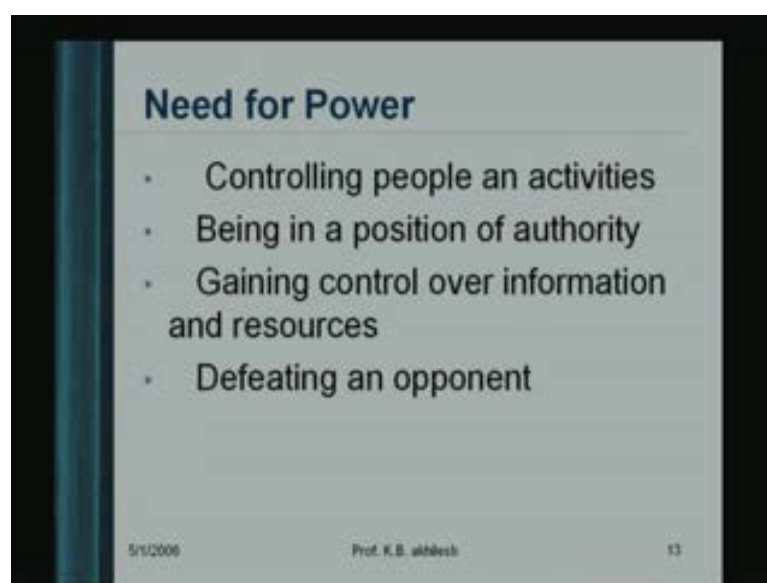


**Classification of Motives**

- Various motives falling in this category are need for Power '*n Pow*', need for achievement '*n Ach*', need for affiliation '*n Aff*', *need for security and need for status*.
- Since these are the most important motives for the understanding of organizational behavior. We'll look into the behavioral outcomes of each.

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**Need for Power**

- Controlling people and activities
- Being in a position of authority
- Gaining control over information and resources
- Defeating an opponent

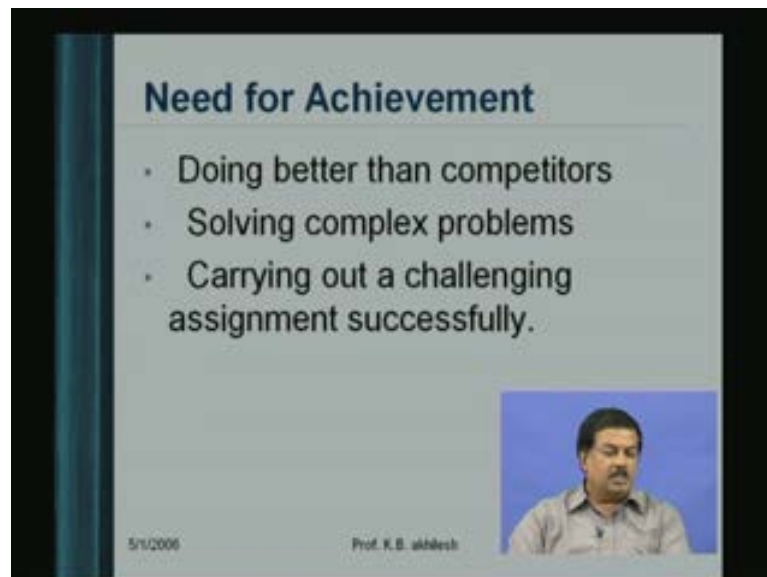
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So many of these motives can be attributed nothing throughout the not for physiological things but it is secondary and acquired through the social circumstances. So since, these are the most important motives for the understanding of the behavior of the individuals in the organization. We will look for what could happen or the what could be behavioral consequences of each of these motives, let us try and look at the need for power controlling people their activities.

So some people are more interested in controlling the others, being in a position of a authority, so authority becomes important people enjoy their designations need for power gaining control over information and resources, defeating an opponent. So you enjoy that kind of a conflict and you get into that kind of a win-lose conflicts. So these are all aspects of there is a need for power, so if the person who does not have the need for power would behave or expect that behave in different way than the person who is having the great need for power.

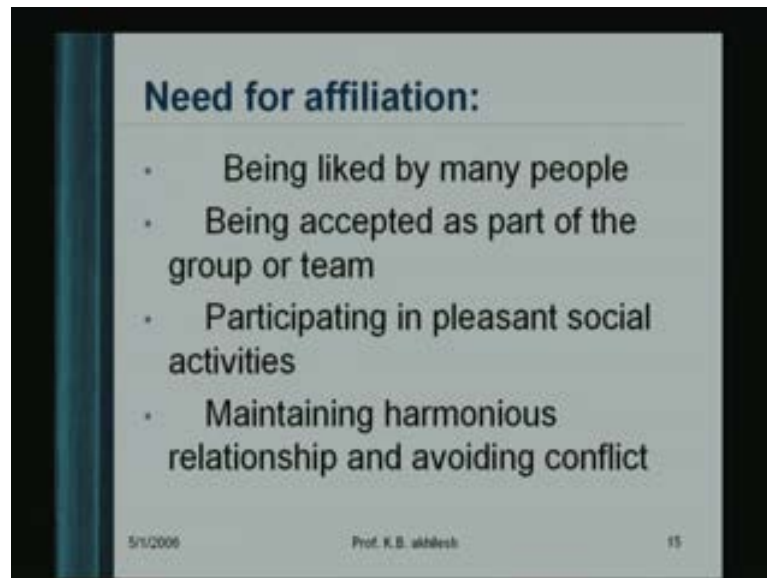
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Similarly, people differ with respect to the need for achievement, need for achievement is described in terms of doing better than the competitors, solving complex problems, carrying out the challenging assignment successfully, enjoying the challenge itself, these are all some of the characteristic of need for achievement. So when you have the managers who have this need for achievement then they show exemplary understanding of the complexity of the task,

they create challenges for themselves, they also enjoy the challenges and meeting the deadlines or handling extremely complex problems.

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So these are the kind of the characteristic of people who exhibit this achievement motivation then, you also have the need for affiliation, need for affiliations are expressed or can be seen in the work place being liked by many people, it could also be a part of the power or gaining the power or control over the other but basically you, you like people and when people accept you, when people appreciate you, you enjoy that particular situation being accepted as part of the group or team, participating in pleasant social activities, maintaining harmonious relationship and avoiding conflict.

So these are some of the things basically you are enjoying the relationships, enjoying the love and affection of other people. So there is a need for affiliation. So the 5 row be or fundamentally interpersonal response orientation was trying to measure some of these basic motives in the individual, need for control, need for affiliation, need for the belonging, things like that, need for achievement as well. There is a need for security, so when you see why do you want to join this organization people can answer in different ways. So if you ask a person who is basically concerned with security, who has not seen many positive work cultures can come up with many of these answers having a secure job.

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**Need for security :**

- Having a secure job
- Being protected against loss of income or economic disaster
- Having protection against illness or disease
- Avoiding tasks or decisions with risks of failure and blame

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I want to be very be very very comfortable, so when you ask what is that you mean by comfortable. So then they will try to explain in terms of that I have no threat of loss of job and so they will articulate many things which will give them a comfort level where organizations do not chase the individuals, so being protected against loss of income or economic disaster. So, I would like to have a safe and secure carrier that would be there articulation, having protection against illness or disease.

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**Need for Status**

- Having the right car
- Working for the right company in a right job
- Having executive privileges
- Living in the right neighborhood and belonging to country club

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So I may not be so healthy later on, I should not be thrown out of my job. So the loss of job loss of income could mean much much to these people, avoiding task or decisions with risks of failure and blame. So they cannot take risk because the individual is driven by the security, so throughout he would make decisions which will give him the safe and secure carrier and avoid all such situations where the individual has to take risks and the risk could lead to lose of fares or make it blame or lose the job itself. The other kind of a need could be the need for status, so the need for status could have many of these dimensions, could be having the right car, having the right car could be a kind of status input, working for the right company in a right job. So the not only the image of the job matters to this individual not only the designation but also the image of the company in the community.

So having executive privileges like some driver is there or so separate drive in the car becomes the status symbol. So somebody is receiving you as soon as you reach the office having bigger office many of these things have the lot of meaning to some individuals, living in the right neighborhood and belonging to country club or any of the clubs. So the membership of these clubs where do you live not only that which school your kids go to many of these things become the status and status symbols, peoples see a beginning and end in the status symbols on clear. So the organizations do have individuals who have different motives, who have different need systems.

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**Approaches to study work motivation**

- These can be classified into three different approaches to motivation.
- Content theories
- Process theories
- Emerging Theories

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So that is why the question comes is how do you integrates these motives and these needs and we can think of several approaches to deal with motivations. Broadly, we can classify all those approaches into the following 3, the 3 different approaches to motivation are content theories, the process theories, we can also put some of them are emerging theories or the tertiary theories.

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**CONTENT THEORIES :**

- A set of theories which have in common their concern for identifying the needs/drives that people have and how these are prioritized.

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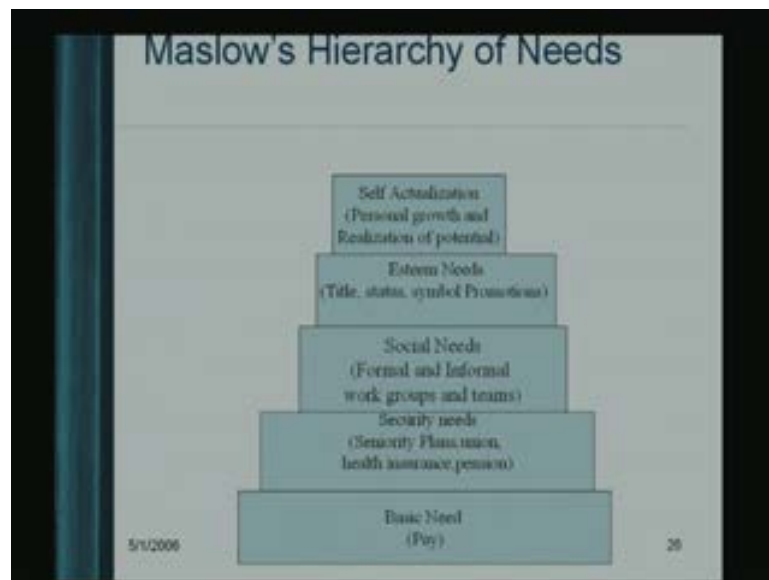
**Maslow's Hierarchy of Needs**

- Self Actualization  
(Personal growth and Realization of potential)
- Esteem Needs  
(Title, status, symbol Promotions)
- Social Needs  
(Formal and Informal work groups and team)
- Security needs  
(Seniority Plans, union, health insurance, pension)
- Basic Need  
(Pay)

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So let us look at in detail in content theories the process theories and probably, I will also mention few things about the emerging theories. So when you see the content theories, it is basically a set of theories which have in common they concern for identifying the needs through drivers that people have and how these are prioritized. So they would like to look at what are the different kinds of need systems and how some needs take over the other, when you see this one of the key things we need to look at and in the discussion of motivation is incomplete without giving the consideration for these Maslow's hierarchy of needs, Maslow looked at basically people have a hierarchy of needs and this can be arranged as is given in the figure.

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So we will see that the basic needs are there these are all many of the physiological needs, so from physiological needs you move onto the secondary needs sorry, the security needs. So the security needs which can come around the kind of seniority are the belonging in terms of the making sure that you get set of assurances from the from the union or the insurance or the pension. So many of the people are bothered about some of these things which are called of the security needs from security needs you move onto the social needs, for the social needs are formal as well as informal the work groups and the teams.

So which is that your group you belong to all these are the part of the social needs whether I get an opportunity to talk to some people whether I can get represented and supported by the

my co-workers. So these are all part of the social needs from social needs you also try and see the esteem needs, the esteem needs are title, the status, the various symbols and the kind of a promotions and designations what one you one would get in the organizational hierarchy.

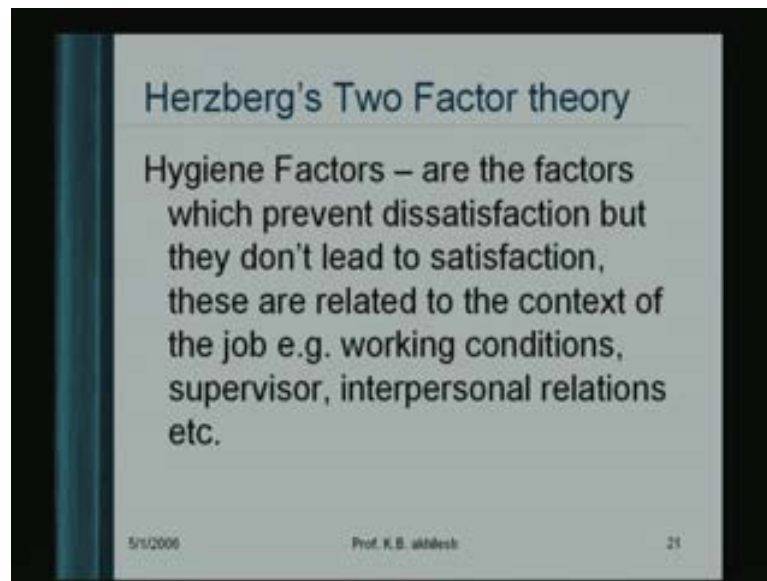
Then, finally we are talking about the self-actualization, self-actualization in terms of what that individual would feel about themselves and would like to do things which he or she likes most. So realizing once own potential. So this is what is being described as the self-actualization.

Now, let us look at all the 5 needs and this when you look at these need systems if somebody is bothered about his physiological needs of hunger, thirst and making sure that all these things that are met it is at the basic level, one can would always like to see by getting this money, what is that I can buy. So what is that I will receive for the payment, what is that I am getting out of the salary or the wages I am getting from the organization. So he would be thinking in terms of basics, basics one you know it is basically the food, what is that we are talking about.

So once, you have this food then the next thing will come in terms of the shelter where I can live and ensuring that some kind of a the basic security needs. So once you take care of the security needs of both short term as well as long term, the individual then next type, the next would think in terms of the social needs. So unless the lower order needs according to Maslow is taken care of and fulfilled, you cannot explain the individuals to be thinking at the higher level.

So particularly, in India it becomes much more relevant when we have so many people below the poverty line unless you correct those poverty issues, unless you help them to get that economic independence, you cannot move them into the other aspects where they have a concern for society, they can become meaningful members of the society and they can pursue certain things which will satisfy them individually, most of the time they are at the lower order of this hierarchy of needs. From this, if you see we talk about the Herzberg's 2 factor theory it is one of the most popular theories to explain the work motivation or the behaviors of people in the organization in pursuit of excellence. So hygiene factors and the motivators, so these are the two things what, what Herzberg talked about

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So, when you see this hygiene factors they prevent dissatisfaction but they themselves cannot assure any satisfaction, what does that mean if these hygiene factors are present, the individuals reach a level of no dissatisfaction but if these hygiene factors are absent then it leads to a situation of dissatisfaction. So the scale is from dissatisfaction to no dissatisfaction, so what are those hygiene factors working conditions, the supervisor, the supervisory styles, the interpersonal relationships

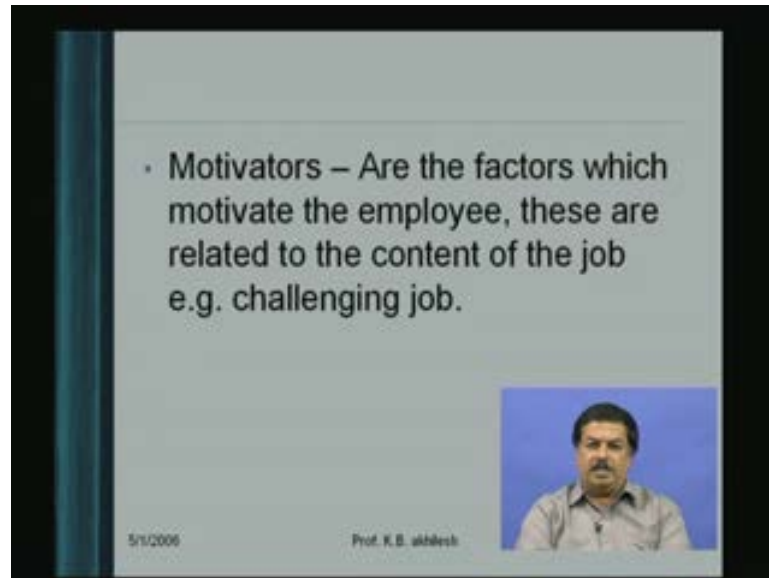
So many of these things are that if they are present they give no dissatisfaction but if they are absent, it leads to the level of dissatisfaction, salary has been consider by Herzberg as a part of the hygiene factors that is if the salary is present, it cannot give satisfaction per say. So it can only make the people to a level of no dissatisfaction and if salary is absent or if it is low then obviously, it leads to the level of dissatisfaction.

So the Herzberg he talked about hygiene factors as basically the job context factors. So if the job context factors are right then individuals work in a mood or the behavior indicates no dissatisfaction, any of these job context factors are absent then it leads to demotivated, dissatisfied, kind of the behavior. But from that if you see the motivators, according to the Herzberg motivators are what they are the factors which motivate the employee in the sense they energize, they help people to do things better and they talked about the Herzberg talked



about that motivators include challenge the recognition the involvement and the kind of meaning it gives within the organizational hierarchy.

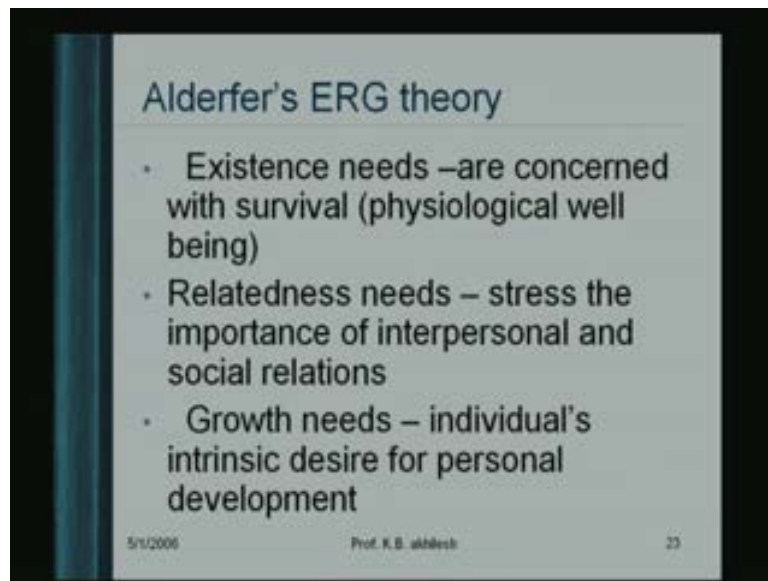
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So these are all basically considered as the motivators, what are the motivators role if motivators are present the individual is satisfied, if motivators are absent there is no satisfaction. So these motivators move from a scale of no satisfaction to satisfaction whereas hygiene, they move from no dissatisfaction to dissatisfaction.

So it moves from dissatisfaction to no dissatisfaction in case of hygiene and in the case of the motivators, it moves from no satisfaction to satisfaction. Salary is certainly not a part of satisfaction according to Herzberg but many also view when salary given as a kind of recognition, as a social approval as a part of meeting certain challenges then, it can also be motivator. So there are always arguments about the salary but what is important is to see is there are set of factors one can only make people to reach that no dissatisfaction level but the job content factors are really the motivators that means it helps individuals to work with challenges get that right, get that recognition, get that approval.

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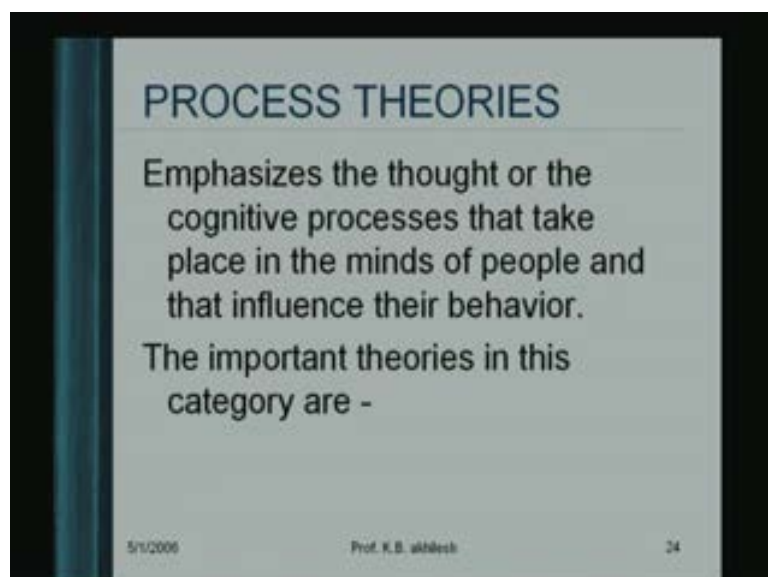
Alderfer's ERG theory

- Existence needs – are concerned with survival (physiological well being)
- Relatedness needs – stress the importance of interpersonal and social relations
- Growth needs – individual's intrinsic desire for personal development

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So from that we are talking about Alderfer's ERG theory, ERG is existence needs, they are concerned with survival, physiological well being then the related needs stress the importance of interpersonal and social relations and then, you have the growth needs individual's intrinsic desire for personal development. So that means if you are addressing that need to need to belong and also you are taking care of the social and interpersonal needs and then the growth all these according to Alderfer would be would be causing for motivated behaviors.

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PROCESS THEORIES

Emphasizes the thought or the cognitive processes that take place in the minds of people and that influence their behavior.

The important theories in this category are -

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**Varoom's Expectancy theory**

This theory is built around the concepts of valence, Instrumentality and expectancy

- Valence means the strength of individuals preference for a particular outcome.
- Expectancy is the probability that work effort will be followed by performance accomplishment

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- Instrumentality is the probability that performance will lead to various work outcomes.

This theory argues that the final work motivation is the outcome of persons beliefs regarding effort/performance relationship and work outcomes.

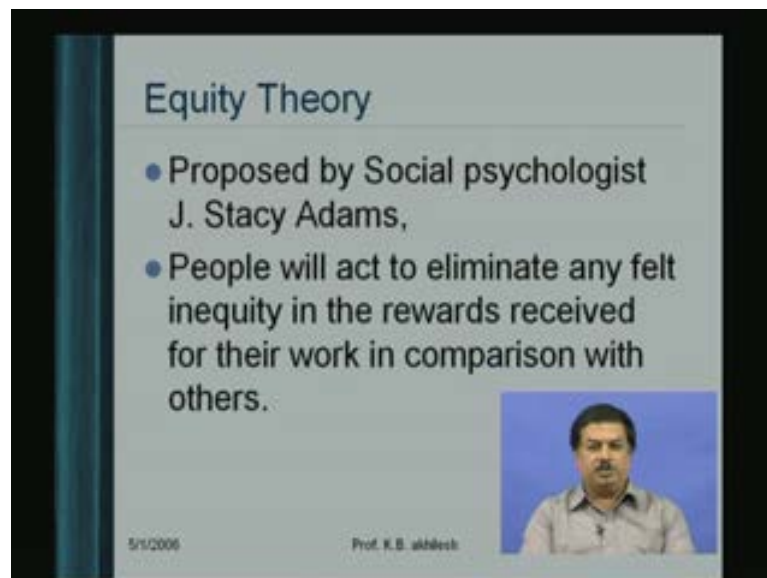
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So it emphasizes the thought or the cognitive processes that take place in the minds of people that influence their behaviour, the important theories particularly with respect to the process theories if you see, they are Varoom's expectancy theory. This theory is build around the concepts of valence instrumentality and expectancy, valence means the strength of individuals, preference for a particular outcome that means what is that you are expecting out

of the job or out of some task then, expectancy is the probability that work effort will be followed by performance accomplishment.

So if I do then what will happen to that we should talk about instrumentality, it is the probability that performance will lead to various work outcomes. So this theory is that attractiveness or the otherwise of the outcome then, what you do in order to get that and then what is the probability if I do this I will get that and result all these things in a complex relationship influences the motivated behavior. So this theory argues that the final work motivation is the outcome of persons beliefs regarding effort performance relationship as well as the work outcomes another important theory is the equity theory, equity by social psychologist particularly, the Stacy Adams. So people will act to eliminate any felt inequity in the rewards received for their work in comparison with others.

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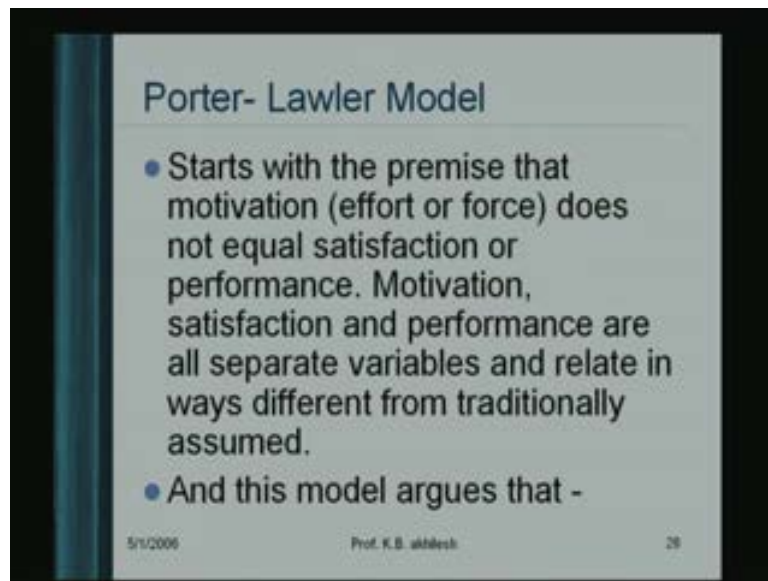


The image shows a presentation slide with a dark blue background and a light blue sidebar on the left. The title 'Equity Theory' is at the top in a bold, dark blue font. Below the title are two bullet points in a dark blue font: 'Proposed by Social psychologist J. Stacy Adams,' and 'People will act to eliminate any felt inequity in the rewards received for their work in comparison with others.' In the bottom right corner, there is a small video inset showing a man with a mustache, wearing a light-colored shirt, speaking. At the bottom left of the slide, the date '5/1/2006' is visible, and at the bottom center, the text 'Prof. K.B. Akhesh' is displayed.

We have seen this in many of the parables in many of the old stories that how do people compare and most of their dissatisfaction comes not because what the organization is doing but what my neighbor is getting, what my classmate is getting, what is that the other fellow is getting having similar experience and similar exposure or similar educational background.

So as long as the other person is getting more or less the same I am not very unhappy but if I see that other fellow is got much much more and then, I am very unhappy because I should have got it. So this equity theory is based on that kind of a comparison.

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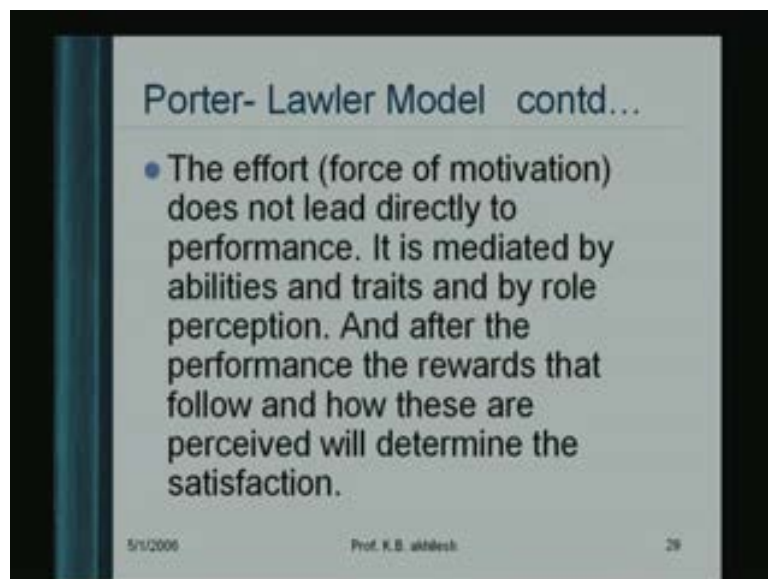


**Porter- Lawler Model**

- Starts with the premise that motivation (effort or force) does not equal satisfaction or performance. Motivation, satisfaction and performance are all separate variables and relate in ways different from traditionally assumed.
- And this model argues that -

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**Porter- Lawler Model contd...**

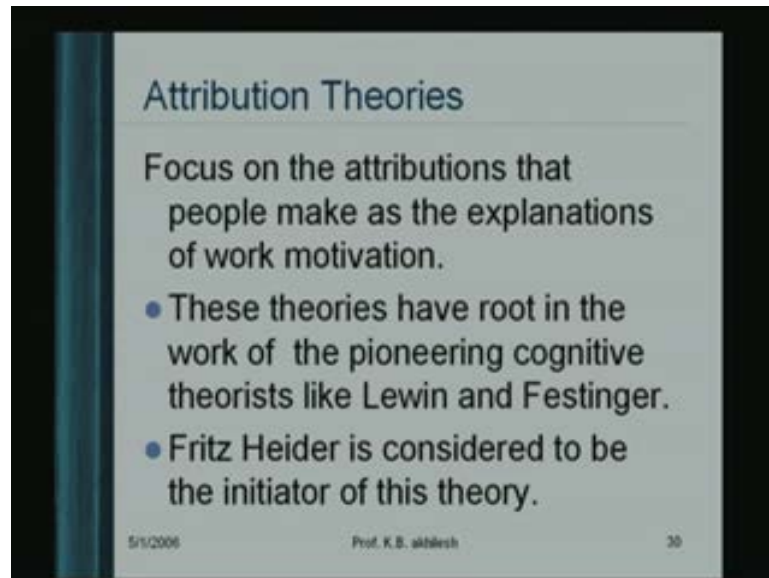
- The effort (force of motivation) does not lead directly to performance. It is mediated by abilities and traits and by role perception. And after the performance the rewards that follow and how these are perceived will determine the satisfaction.

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We also have this Porter and Lawler model this starts with the premise that motivation effort of force does not equal satisfaction or performance, motivation, satisfaction and performance are all separate variables and relate in ways different from traditionally assumed that means basically in Porter Lawler, you are looking at the **the the** 3 and this model argues that the effort that is force of motivation does not lead directly to performance, it is mediated by

abilities and traits and by role perception and after the performance the reward that follow and how these are perceived will determine the satisfaction level.

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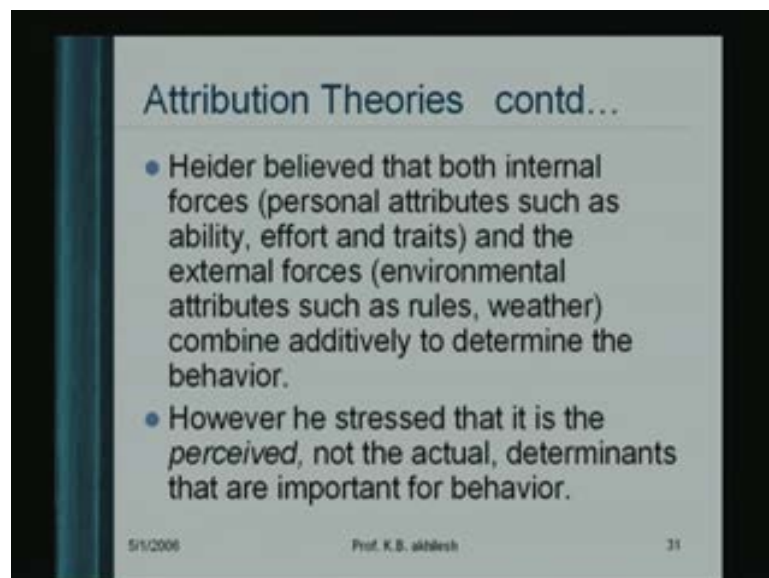
**Attribution Theories**

Focus on the attributions that people make as the explanations of work motivation.

- These theories have root in the work of the pioneering cognitive theorists like Lewin and Festinger.
- Fritz Heider is considered to be the initiator of this theory.

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**Attribution Theories contd...**

- Heider believed that both internal forces (personal attributes such as ability, effort and traits) and the external forces (environmental attributes such as rules, weather) combine additively to determine the behavior.
- However he stressed that it is the *perceived*, not the actual, determinants that are important for behavior.

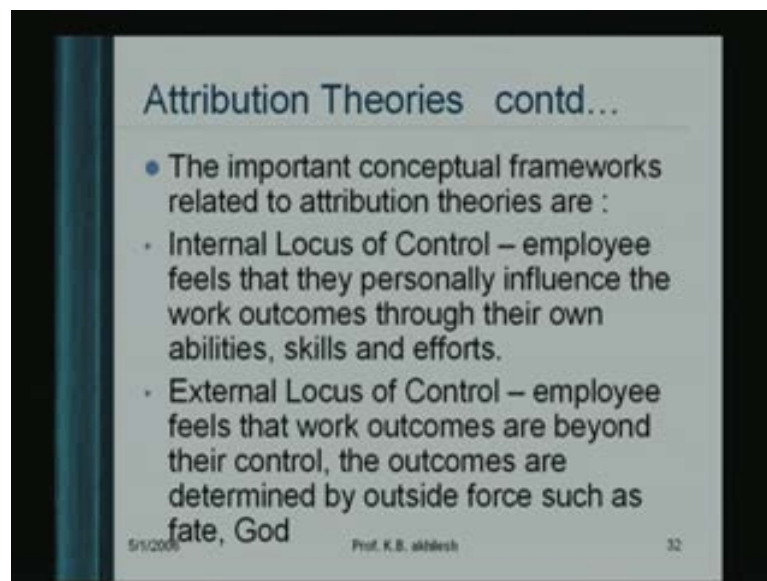
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So there is similar to that what we talked about the valence instrumentality and expectancy, in Porter Lawler that you do have the issues of that what is my abilities and traits, what is happening in my group, what is that I am putting that effort and because of what is that I am

expecting and what are the consequences and that consequences will determine where my positions are and that will energized or that will demotivate, attribution theories are another set but particularly, we need to see that people make as the explanations of work motivation.

So these theories have root in the work of the pioneering cognitive theorists like Lewin and Festinger, Fritz Heider is considered to be the initiator of this theory, how do people explain and attribute and believe that both internal forces, personal attributes such as ability effort and traits and the external forces, environmental attributes such as rules, whether combine additively to determine the behavior. However, it is the stressed that it is the perceived not the actual determinants that are important for behavior. So how do people think about these things, the perceptions are much more important than what happens.

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Let us quickly look at this right, so the important conceptual frameworks related to attribution theories are the locus of control. So people can be classified into these internal locus of control and the external locus of control. So there are several people believe that they personality, personally influence the work outcomes through their own abilities, skills and efforts. So they believe in their efforts they believe in their capabilities, they are called as the internal locus of control, you will also see there are external locus of control, employee feels that work outcomes are beyond their control the outcomes are determined by outside forces such as fate, god, luck.

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**Attribution Theories contd...**

- Fundamental attribution errors – are the biases people have while attributing causes for behavior of others and self.
- People attribute their own failure to external causes like bad luck, inherent nature of the problem etc. whereas they attribute others failure to internal causes like lack of ability, laziness, poor motivation etc.

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So they explain their success or failure because of the circumstances because of the efforts of others, they blame others for success as well as failures whereas the internals they take the charge, they blame themselves for failure or success but we have both **both** the groups in the organization but then there are biases people have while attributing causes for behavior of others as well as self.

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**EMERGING THEORIES**

**Control Theory** – The degree to which a person feels he/she is in control of his/her personal life or job situation influences that person's experienced stress, job satisfaction and other behaviors like absenteeism.

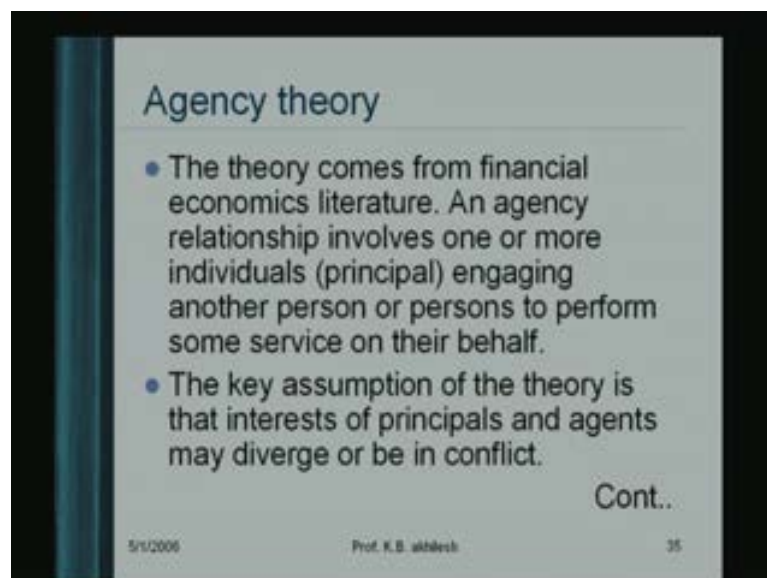
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So people do get into that superiority complex or the inferiority complex then, people attribute their own failure to the external causes like bad luck inherent nature of the problem etcetera and sometimes they also talk about their own inability, laziness, poor motivation. So these attribution is how do people give importance to the external and internal things not necessarily it is anything to do with that fact, so people perceive themselves and also perceive the events outside because of various reasons. But the attribution theories do influence the motivation also look at some of the emerging theories, the control theory is one the degree to which a person feel, feels he or she is in the control of his or her personal life or job situation influence that person's experienced stress, job satisfaction and other behaviors like absenteeism.

So many of the time you see there are certain jobs where people thing that they have no control and then, they get into this kind of a stress and not able to not able to cope with the circumstances then you have the agency theory. The theory comes from financial economics literature, so an agency relationship involves one or more individuals engaging another person or persons to performs some service on their behalf. So the key assumption of the theory is that interests of principals and agents may diverge or be in conflict.

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The image shows a presentation slide with a dark background and a light-colored text area. The title 'Agency theory' is at the top. Below it are two bullet points. The first bullet point describes the theory's origin in financial economics literature and defines an agency relationship. The second bullet point states the key assumption of the theory. At the bottom right of the text area is the word 'Cont..'. At the bottom left, there is a date '5/1/2006'. At the bottom center, there is a name 'Prof. K.B. Akhlesh'. At the bottom right, there is a page number '35'.

### Agency theory

- The theory comes from financial economics literature. An agency relationship involves one or more individuals (principal) engaging another person or persons to perform some service on their behalf.
- The key assumption of the theory is that interests of principals and agents may diverge or be in conflict.

Cont..

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So when the next person handles, he may or may not represent the complete organization or the owner. So the commitment and the motivation level could be much much different

because we are talking about a principal and a contractor. The implications for organizational behavior involves how the principals, owners, the board members or the top management can limit divergence from their interests and objectives by establishing appropriate rewards or incentives for the agents that is subordinates, middle management and operating employees.

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Agency theory contd..

- The implications for organizational behavior involve how the principals ( Owners, Board members or top management) can limit divergence from their interests and objectives by establishing appropriate rewards or incentives for the agents (subordinates, middle management and operating employees).

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Motivation and Culture

- As we discussed in classification of motives that the secondary motives have the most important implications for human behavior in organizations.
- These motives are learned or acquired by the individuals basically as a result of his/her exposure to the socio-cultural environment.

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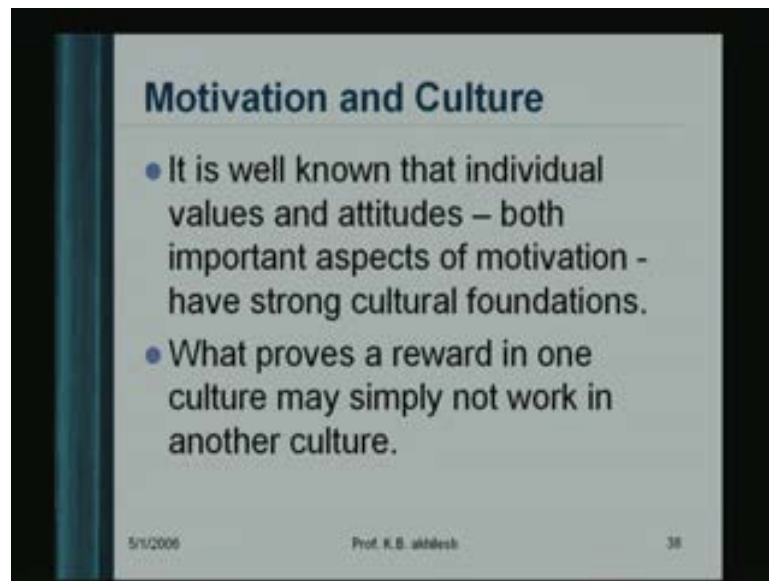
So you see there are the newer methods particularly, the knowledge workers when they are present in the organization. The ownership matters howsoever you may say that you are rewarding but if the individuals can own like employee's stock options kind of a scheme has come because the agency theory recognizes that the individual as long as he feels, he is not a part of the organization and that part of the organization is not represented by the ownership of the organization, you will not get the best out of the person.

So in other words, we need to understand the individual needs and the how the organization responds to these needs and then, how can we convert this individual energies to the actual behaviors. So how individual perceives the rewards, how individual links that effort and the performance and the reward, all these things becomes relevant. When you look at need theories they are much more static theories whereas when you come to the valence instrumentality, expectancy or any of these things, these are called as the dynamic models.

So both static as well as dynamic models are important to understand the behaviors of the individual particularly, the energized behaviors the behavior also need to be seen as motivated behaviors, when it satisfies particular need systems. So if you understand the need system, it is easy to think in terms of what is that we can do to get that required behaviors. But the motives cannot be seen as a kind of a primary thing then, we are talking about the primary the secondary or the basic motives and the generalized kind of motives but unless we understand the needs, the wants, the aspirations of the individual and what is that they want and what is that they give importance to and how serious they are about achieving those wants, you cannot build a clear a motivated organization or a motivated system and that is how the manager's job becomes extremely complexed to look and examine different kinds of motives.

So when you are talking about motivation, the organization also responds to this aspect of motivation through building culture. So the culture and motivation they go together, the as we discussed in classification of motives that the secondary motives are the most important implications for the human behaviour in organizations. So these motives are learnt or acquired by the individuals basically as a result of his or her exposure to the socio-cultural environment. We have always seen some people do extremely good not in India but when they go abroad or even within the country in some organization they do very well, they are excellent but when they go to some other organization they are not doing so well.

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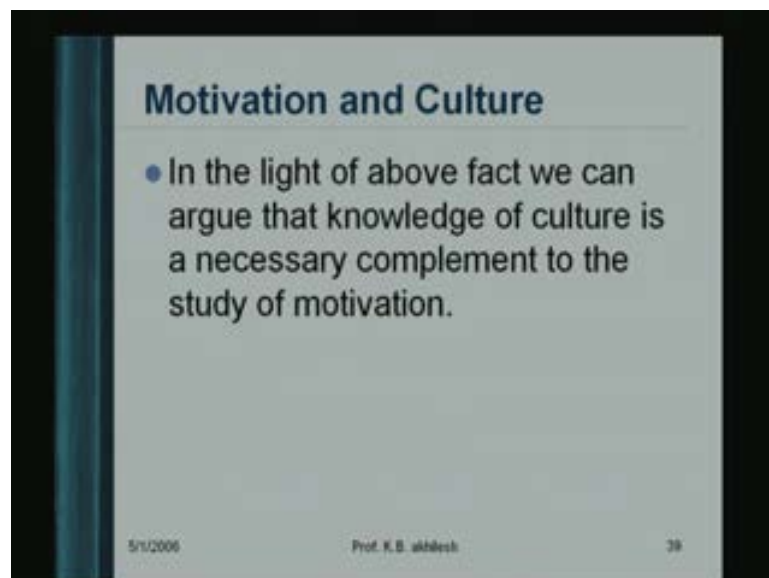
**Motivation and Culture**

- It is well known that individual values and attitudes – both important aspects of motivation - have strong cultural foundations.
- What proves a reward in one culture may simply not work in another culture.

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So we are now trying to capture those cultural aspect aspects which influence individual behavior particularly, these motivated behaviors. So when you look at this motivated behavior it is well known that individual values and attitudes are both important aspects of motivation, having strong cultural foundations.

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**Motivation and Culture**

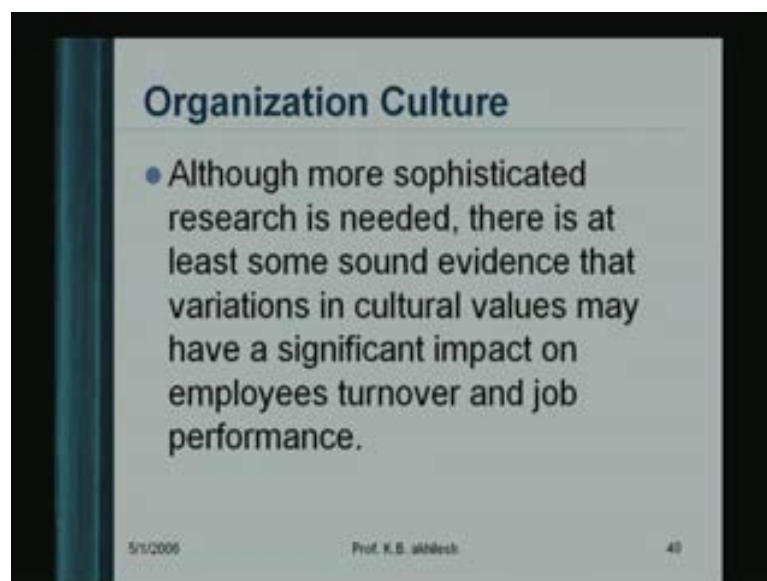
- In the light of above fact we can argue that knowledge of culture is a necessary complement to the study of motivation.

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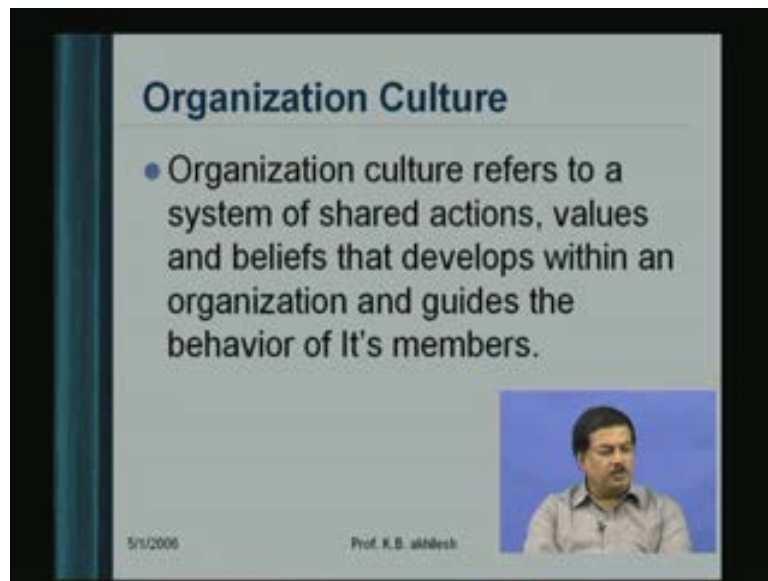
So how these values and attitudes are developed the personality theories, the social, psychological theories all talk about both individuals as well as the group and the society or the institution to which the individuals belongs. So what proves a reward in one culture may simply not work in another culture, what is appropriate in one place may not be appropriate in another place. So we have seen when people do differ in terms of their needs and aspirations they may respond to the different actions of the management in different way similarly, the cultural differences are also there with respect to work motivation.

So in the light of the above fact, we can always argue that knowledge of culture is a necessary complement to the study of motivation that is how will we will try and examine how can we look at this culture and what is that we can do in order to increase the motivated behavior. Although more sophisticated research is needed, there is at least some sound evidence that various, variations in cultural values may have a significant impact on employees turn over and job performance. People quit, people quit the organization physically and sometimes psychologically and people also do very well and they do not do very well and all that very much depends upon the organizational culture. So it refers to a system of shared actions, values and beliefs that develops within an organization and guides the behavior of its members.

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**Organization Culture**

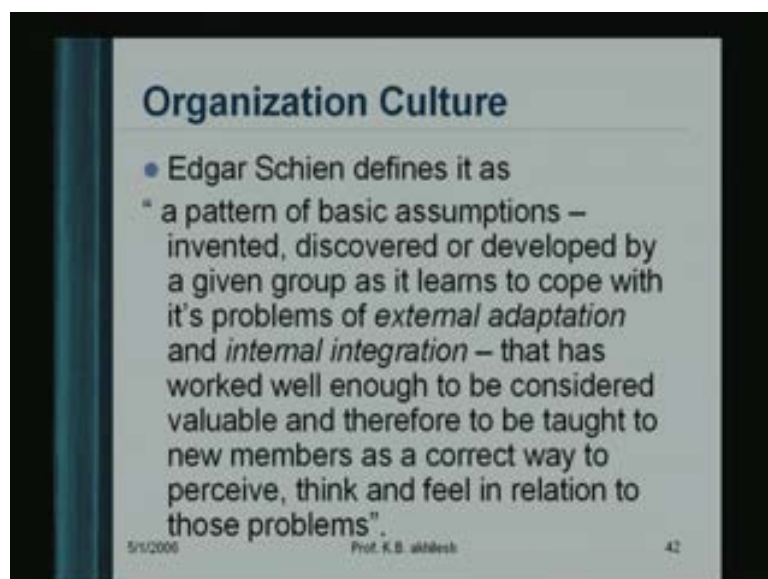
- Organization culture refers to a system of shared actions, values and beliefs that develops within an organization and guides the behavior of its members.

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So it is that shared values, shared models and also the values, values in what they believe in as good and desirable could be about the team work, could be about the customer, could be about the quality, could be about the speed with which they deliver and also the beliefs of what is good, what is nice, what is good to have all these things are part of the beliefs and once these things are stated and assumed later that means it could be explicit as well as implicit then, it guides the behaviors of the guides the behaviors of the members of the organization.

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**Organization Culture**

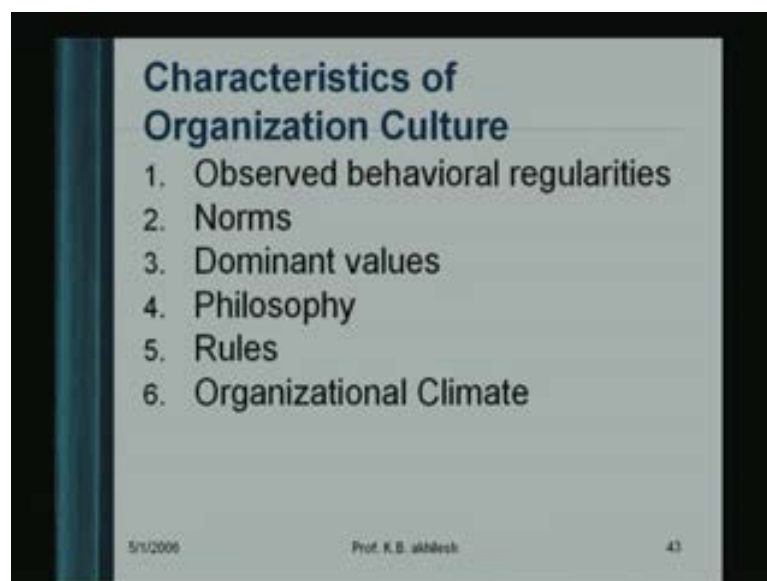
- Edgar Schien defines it as  
“ a pattern of basic assumptions – invented, discovered or developed by a given group as it learns to cope with its problems of *external adaptation* and *internal integration* – that has worked well enough to be considered valuable and therefore to be taught to new members as a correct way to perceive, think and feel in relation to those problems”.

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So this is another comprehensive definition Edgar Schien defines it as a pattern of basic assumptions please see this, invented, discovered or developed by a given group as it learns to cope with its problems of external adaptation and internal integration that has worked well enough to be considered valuable and therefore to be taught to new members as a correct way to perceive think and feel in relation to those problems. So what are the keywords that is the external adaptation and the internal integration and that has worked well enough to be considered as valuable. So we would like to see that it is transferred to the others and it should be taught to new members as the correct way that means it is a do's and don'ts and what is acceptable and what is not acceptable, what is desirable and what is not desirable and what way to perceive think and feel in relation to those problems, problems are whatever the organization is trying to cope with so culture is a learnt behavior.

So it is transferred from one or transmitted from one generation to the other one group to other one individual to the other and that is what finally influences, guides the behavior, I think in in that sense we can see how can we look at the organizational culture. So observed behavioral regularities, so you will see that within the organization, what is that people are trying to do, what guides them, so the respect for the age the respect for group work. So many of these things will become very apparent and then you will see what is guiding these people and the norms particularly, the unwritten rules of the group and the organization.

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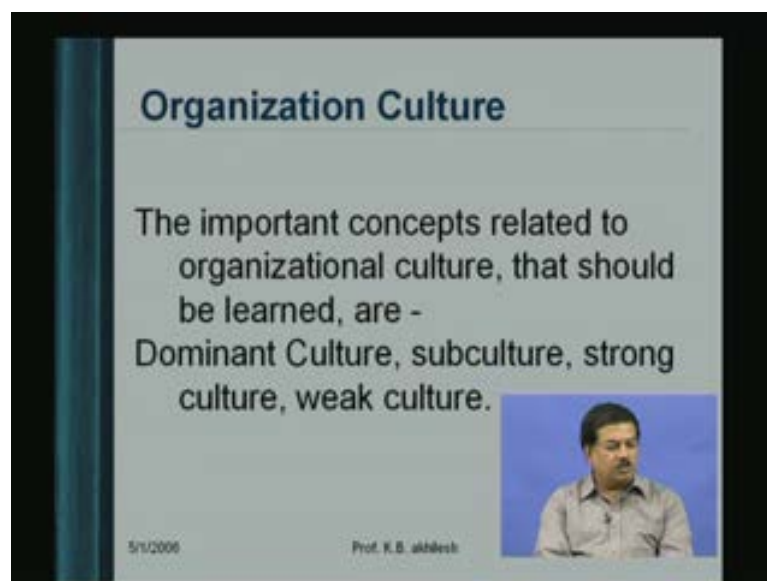


For example, seniority so the respect for the seniority is a kind of a norm or what is to be considered as a good thing, you know whether the preventive maintenance is better or the breakdown maintenance is better. So some of these views and norms get developed within the within the organization pursue there is nothing but the organization culture supports the certain things as good certain things as bad and also the dominant values, dominant values in terms of quality, dominant values towards team work versus the solo performance are in terms of the customer and the meeting the customer the expectations, innovation.

So these are much more the value driven and the philosophy, the philosophy of the organization profit, profit by a hook worker what are the ends, what are the means, so what is acceptable and what is not acceptable and similarly, the rules, the codes, code of conduct within the organization and also the organizational climate. The importance given for relationship, the mutually supported behaviors, how do bosses behave with their subordinates, mentoring, coaching, dictators, demanding.

So what do they, what are the kinds of styles they follow within the organization, these are all part of the organizational climate. So when you look at organizational culture one can visualize one can understand many of these small things what happens on a daily basis and then make a judgment.

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**Organization Culture**

The important concepts related to organizational culture, that should be learned, are -  
Dominant Culture, subculture, strong culture, weak culture.

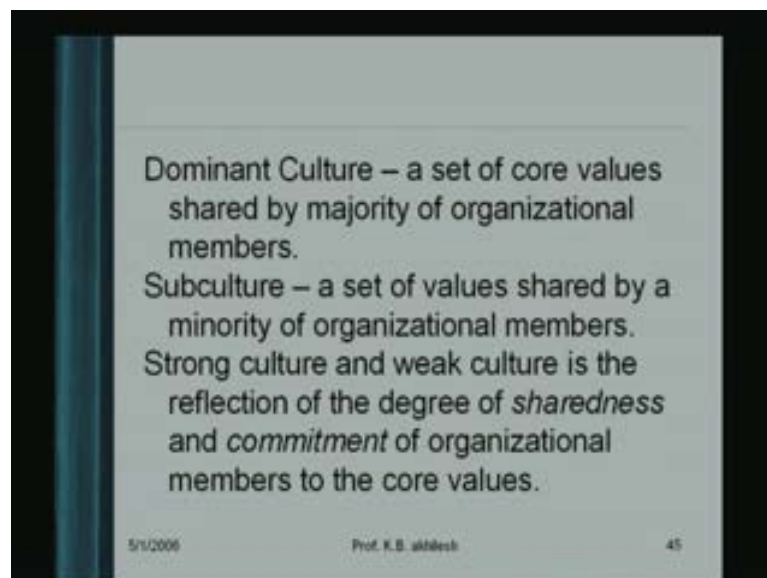
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The slide features a title 'Organization Culture' in a bold, dark blue font. Below the title, a horizontal line separates it from the main text. The text describes key concepts of organizational culture. In the bottom right corner, there is a small inset video frame showing a man in a light-colored shirt speaking. At the bottom left, the date '5/1/2006' and the name 'Prof. K.B. Akhlesh' are displayed.



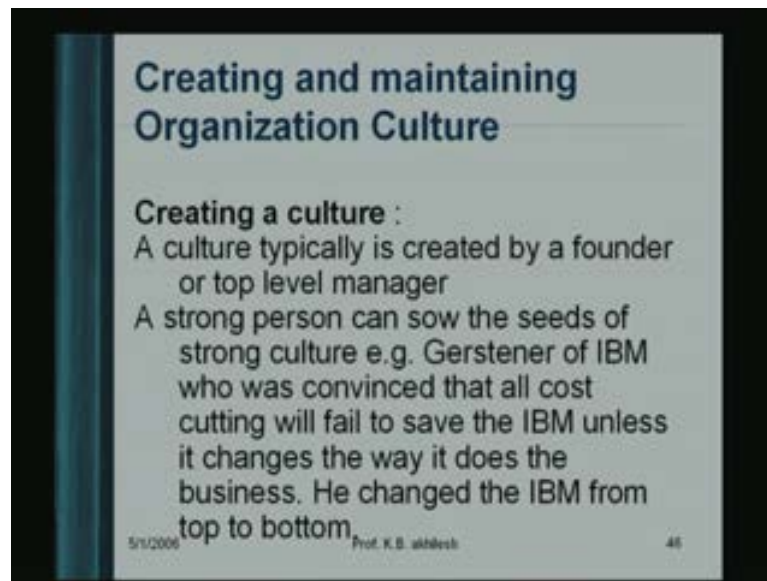
So the question comes is the important concepts related to culture it should be learnt. So then you also have to see what is the dominant culture what are the subculture, what is the strong culture, what is not so good about this. So one can classify depending upon how much of these organizational culture is influencing, impacting the individual in a distributed organization all the things cannot missing as influencing. In a dominant culture, a set of core values shared by majority of organizational members, they will not compromise their values. We have seen the such kind of a culture coming in organizations which are religious in its nature.

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So that time the the core values is articulated exhibited through many of institutional practices which gives then the uniqueness which also binds them. So anybody violating that they are strongly punished, so we also see some kind of a subculture. So a set of values shared by a minority of organizational members. So the within the organizational you will see top management values and behaviors are little different from the middle, middle management or then the you will see at the operators level. So there could be different cultures within the organization similarly, there could be strong and the weak culture in terms of the how many people of that organization they share and also how many people get impacted for violating or the or adhering to these stated values stated or implied or the understood behaviors.

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So when you are looking at the issues of culture, the basic address, basic we will need to address, how do we create and maintain organizational culture. So creating a culture is could happen because of many many reasons but typically we can think of one by the founder or the top level manager. Let me give one example, when Toyota was founded by the founder Toyota, so it there are stories but what I have read is as follows.

So the early days somebody stole all his designs, so on that day Toyota was thinking, so if I create things in the paper somebody can take it way but if I create all the things in the minds of the people then nobody can take away those things and that is how the Toyota started creating an organization where all the values, all the ideas are within the people and that is how the Toyota manufacturing philosophy got created which others cannot duplicate it, others cannot create it because it is impossible to create such human beings in a short period of time.

So strong person can sow the seeds of strong culture, we have seen many many organizations. So the leadership of the organization builds that vision what is acceptable and what is not acceptable. So you have the IBM Gerstener who was convinced that all cost cutting will fail to save the IBM unless it changes the way it does the business. So he changed the IBM from top to bottom everybody has to have that kind of a beliefs and values.

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**Creating and maintaining Organization Culture**

The process of starting of an organizational culture usually involves some version of the following steps:

1. A single person has an idea for new enterprise.
2. The founder brings in one or more other key persons and create a core group that shares a common vision

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**Creating and maintaining Organization Culture**

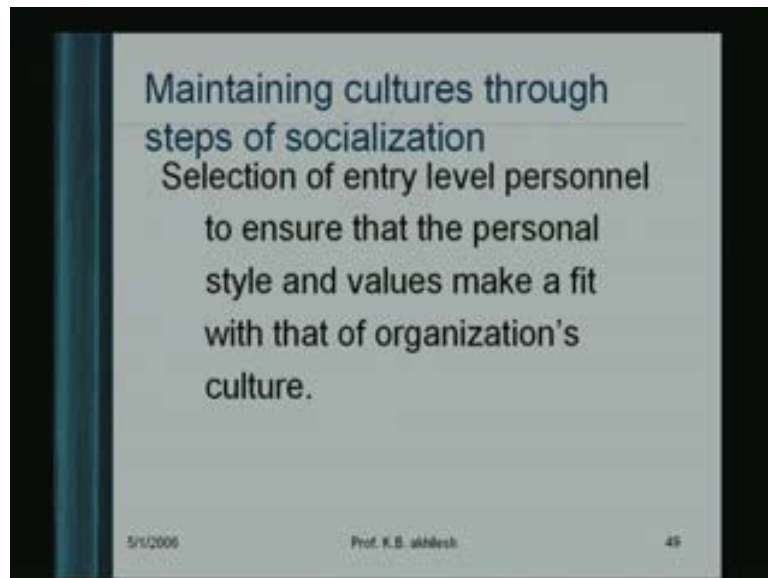
3. The founding core group begins to act in concert to create an organization by raising funds, obtaining patents, incorporating, locating space, building and so on.
4. At this point others are brought into the organization, and a common history begins to build.

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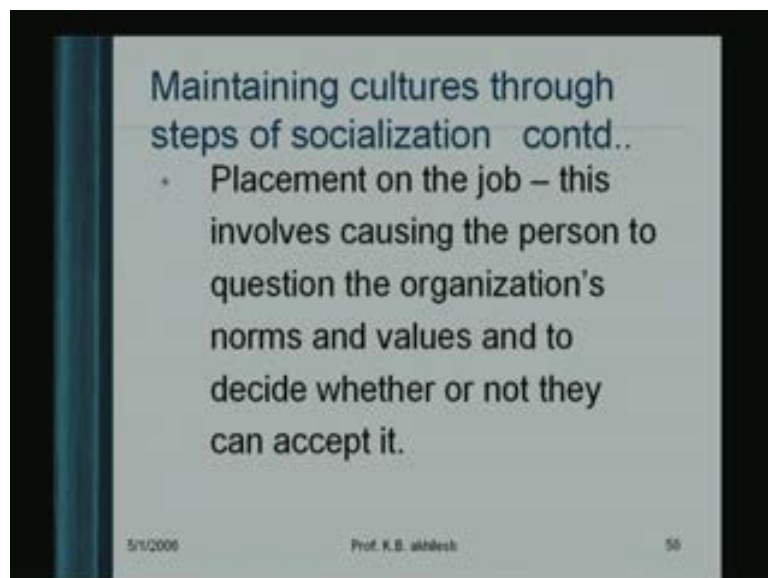
So the process of starting of an organizational culture usually involves some version of the following steps. So a single person has an idea for a new enterprise, the founder brings in one or more other key persons and create a core group that shares a common vision then around that vision, you get the founding group you know begins to act and connect in concert to create an organization by raising funds, obtaining patents in cooperating locating space building and so on. So the experience that required growth at this point others are brought

into the organization and a common history begins to build. So as set of people come together they start understanding what is good for them, what is that will contribute for success right.

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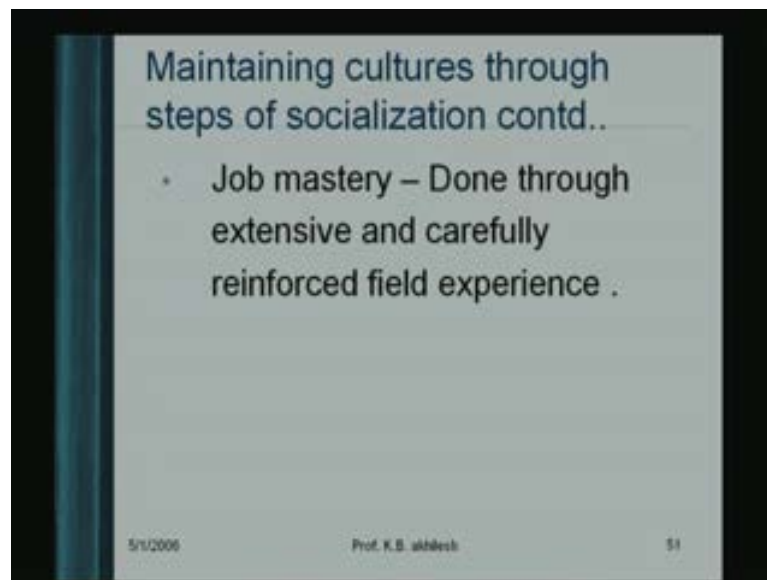


So in other words, the all these things will happen then selection of an entry level personnel to ensure that the personal style and values make a fit with that of the organizational culture. So that is the steps of the through the **the** first step could be called as the socialization unless

you think of the socialization, you cannot integrate the individual to the organization and integrating the individual organizational means to the organizational culture.

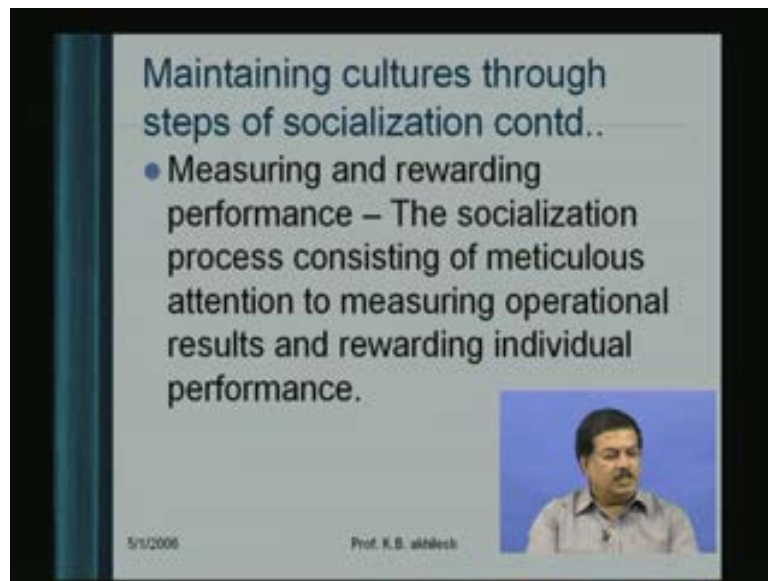
So the initial steps are important but after that when set of people come together then you need to do systematic integration of all the people and also the new persons. Another way of socializing is that placement on the job, so this involves causing the person to question the organizational norms and values and also to decide whether or not they can accept it. So you give an acting assignment making people to go and work for some time and then accept and respond and also the job mastery.

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So you give systematic extensive and carefully reinforced field experiences. So you understand work culture, you understand the organizational culture through this kind of a systematic exposure. So there is in no shock, when individual comes to the organization particularly, when **when** they are in educational field, we are talking about practicals of making people to go and work in an organization before they really start their carries that is only to help them to be a part of the work culture then another important thing is to measuring and rewarding performance.

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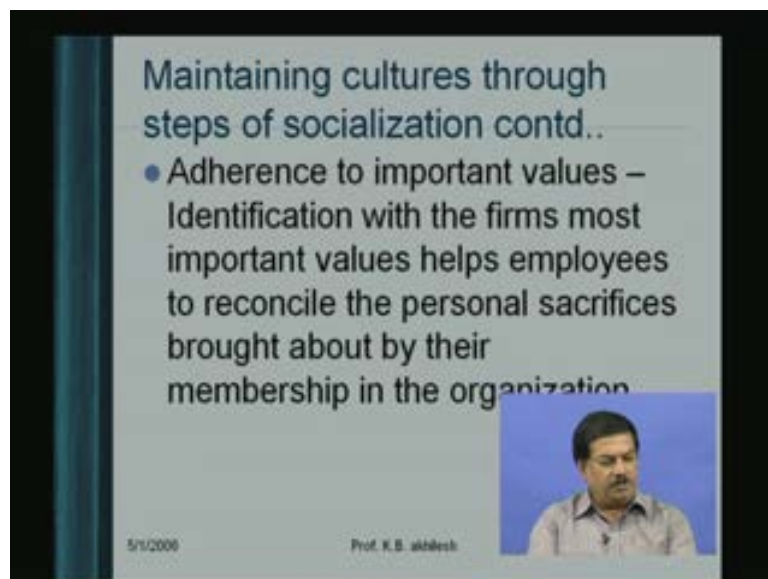
Maintaining cultures through steps of socialization contd..

- Measuring and rewarding performance – The socialization process consisting of meticulous attention to measuring operational results and rewarding individual performance.

5/1/2006 Prof. K.B. Ahluwalia

A small inset video shows Prof. K.B. Ahluwalia speaking.

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Maintaining cultures through steps of socialization contd..

- Adherence to important values – Identification with the firms most important values helps employees to reconcile the personal sacrifices brought about by their membership in the organization.

5/1/2006 Prof. K.B. Ahluwalia

A small inset video shows Prof. K.B. Ahluwalia speaking.

So the socialization process consisting of meticulous attention to measuring operational results and rewarding individuals performance through conveying that what is acceptable behaviour and what is not so acceptable behaviors and also adherence to important values identification with firms most important values helps employees to reconcile the personal sacrifices brought about by their membership in the organization. So, there are value for what is desirable, so different organization articulates that you need to stay long or you need to

sacrifice and the the stories around that. So that is where they reinforcing the stories and folklore involves keeping alive the stories which validate the organization's culture and the way of doing things, it is highlighted in terms of various experiences of the senior people certainly, the recognition and promotion.

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Maintaining cultures through steps of socialization contd..

- Recognition and promotion – This is the final step, it involves recognition and promotion of the individuals who have done their job well and who can serve as role models to new people in the organization.

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**Summary**

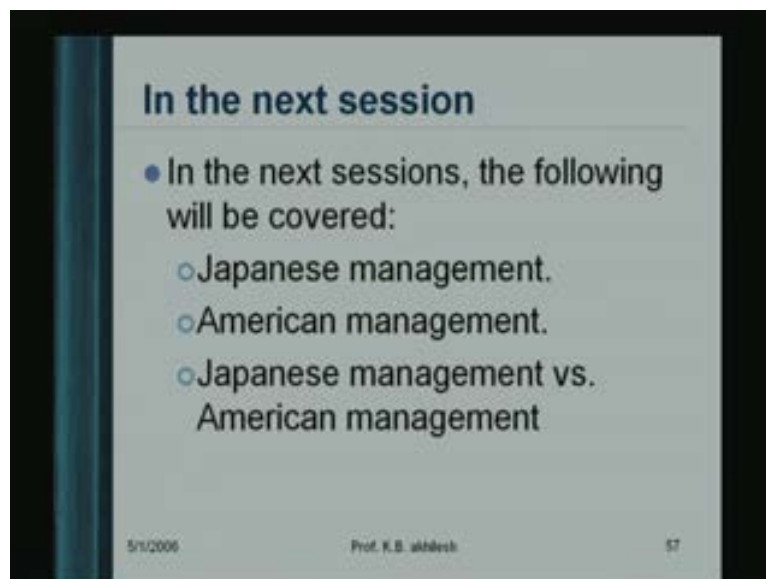
- In this session we have covered:
  - The concept and Meaning of motivation, Various types of Motivations which influence human behavior (especially work related)
  - Approaches to study work motivation
  - Concept and meaning of Organization culture and Creating and maintaining Organization Culture.

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So this is the final step it involves recognition and promotion of the individuals who have done their job well and who can serve as role models to new people in the organization. So you projects such people who have contributed their best and also how they have done. So once you create that kind of a visibility and then, reward and recognize such people others also learn from those experiences essentially in this session what is that we are trying to look at is that motivation as one of the key aspects of ensuring the success of the organization towards that you need to focus on the people are different people do come with different needs, different wants. Unless, we understand the needs and wants and see the consequence link to the kind of behaviors, what they exhibit in the organization, we cannot create a motivated and a charged situation which is focused on on the requirements of the organization.

So what is important to look at the different kinds of theories which people have talked about both content and process theories and understand job context as well as job content and in the process we cannot neglect the role of the organizational culture. So when you do systematically build organizational culture, socialize new employees and integrate these new employees as early as possible through different methods and when none of these methods are extraordinary but all of them are important.

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**In the next session**

- In the next sessions, the following will be covered:
  - Japanese management.
  - American management.
  - Japanese management vs. American management

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So, one needs those multiple methods to integrate the individual to the team and to the organization. So that success can be achieved and no one motivational theory can be so exhaustive to cover all complexities of the human behavior but fundamentally that we need to attract talent and convert the talent into effort and link this effort to the performance and we need to reward this performance and so that we have that energized mind-set and also the contributing mind-set.

In our next lecture, we will focus on as we are talking about the culture. So we move onto the various cultural dimensions of management and then it will become very important for us to see, what is the eastern versus the western.