

CHAPTER

3

Understanding of
Individual Behaviour

Learning Objectives

- Necessity to Understand Individual Human Behaviour**
- S-R Model of Human Behaviour**
 - Signifies how stimulus, organism and response can help to learn complex behaviour.
- Role of the Biographical Profile in Understanding Individual Behaviour**
- Role of Physical and Intellectual Abilities in Identifying Suitable Ability Job Fit**
- How to Combat Individual Differences and Nurture Talented Employees**

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Preview Case

Shri Dhirubhai Ambani is a name associated with an *Ultimate Success Story*. From a humble beginning (the son of a school teacher), he went on to create an enviable business empire — 'The Reliance Group' in a span of around 25 years. He was a first generation industrialist, who rose from a small trader of textiles and spices to single handedly build one of India's most impressive business empire.

Many industrialists, politicians and one and all who knew him always referred to him as a visionary and dreamer, who believed in leading by example. In the process he was able to convert all his dreams and vision into a reality and also help in shaping the industrial scenario of India.

Few of the adjectives and phrases used to describe Shri Dhirubhai Ambani could be:

- + Devoted
- + Sincere
- + Clarity of vision, foresight, committed
- + Dedicated and hard worker
- + Symbol of encouragement and inspiration
- + Model for aspiring entrepreneurs
- + Passion for excellence

While building the Reliance Group, Dhirubhai Ambani treated his people as his very important assets. He scouted around for the best and most talented professionals, nurtured them and continuously propelled them to aim for still higher goals. And it is these highly motivated people who today comprise of the 'core Reliance family'.

Dhirubhai Mantras

“Growth has no limit at Reliance.

I keep revising my Vision.

Only when you dream it
you can do it.”

“Give the youth a
proper environment.

Motivate them. Extend them
the support they need.

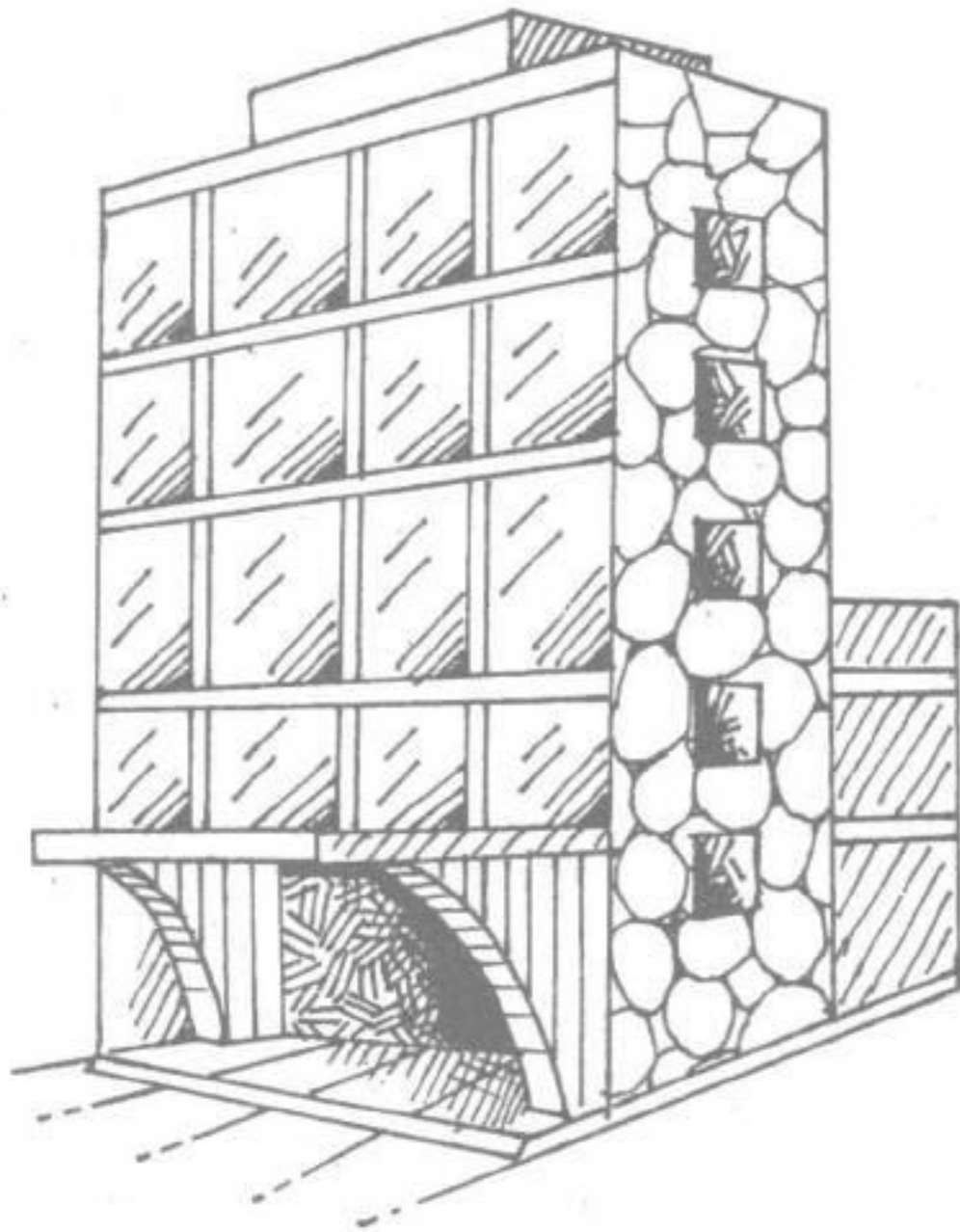
Each one of them has
infinite source of energy.

They will deliver.”

“Don't give up,
Courage is my conviction.”

– Dhirubhai Ambani

There are many definitions which can be used to define organisation. But for all practical purposes the physical concept of organisations — Buildings and materials will be of no use in the absence of people (or individuals) who will be operating the organisation. In other words, it will be these individuals whose behaviours together will indicate the direction in which the organisation is heading.



ORGANISATION



ORGANISATIONAL BEHAVIOUR

Simply stated it is the summation or aggregation of individual (different) behaviours in organisations which will help to understand and explain individual organisational behaviours. Understanding of individual variations in terms of their (employees) working habits, willingness to do their job, ability to perform their jobs properly, interaction with their colleagues, superiors and subordinates, their conception of values, attitudes, perceptions, motivations and personalities etc., will help organisations to draft suitable norms of acceptable (formal) behaviours.

While trying to understand human behaviour it is to be noted that usually all complex behaviour is learned. Moreover, the organisations have to remember the existence of various human and non-human variables which affect productivity: work satisfaction, a feeling of belongingness towards the organisation and so on. These could, at times, also result in absenteeism, high turnover, low output etc.

So managers in organisations have to bring about an equilibrium between human variables and organisational effectiveness. It may be remembered that some of these factors can be traced and monitored while there are a few others which cannot be assessed easily. So in an attempt to understand individual behaviour we will have to focus on certain biographical and ability related attributes in human beings. In this chapter we have attempted to discuss all the above aspects right

from the S-R model, to the biological profile, the intellectual and physical abilities through to identifying ways to combat individual differences.

S-R MODEL OF HUMAN BEHAVIOUR

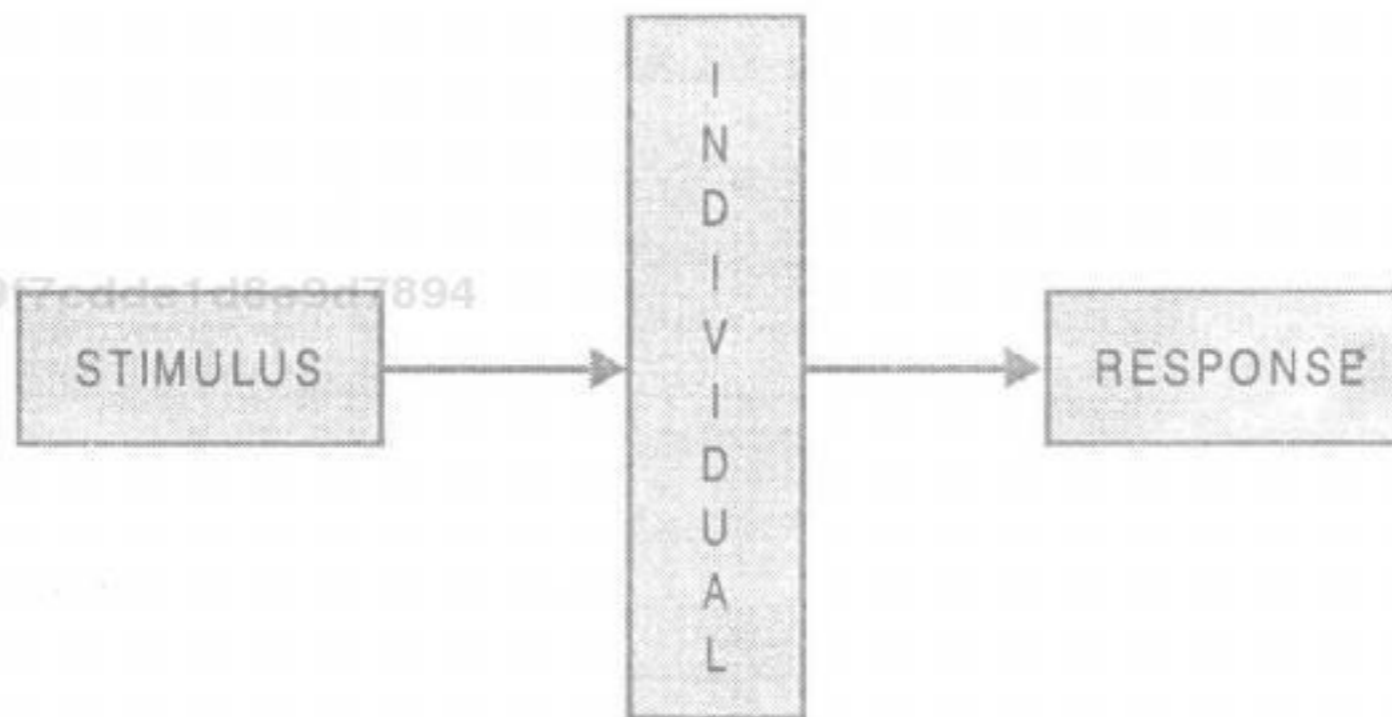
Dictionary meaning of behaviour is to react or act in a specified way. This means behaviour is something what an individual does. An activity performed by human beings which may be observable and measurable. But human behaviour cannot be termed as orderly, or systematic. Very often this behaviour goes by the premise or assumption that it is the effect of 'cause and effect'. To put it in a simple way, an individual's behaviour is clearly associated with certain factors lying within him/her and some in the external environment. At times human behaviour also gets influenced by the larger system namely — peer, family, society etc. We will briefly touch upon the behavioural process by having a look at the S-R model.

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The Behavioural Process

The behaviour of human beings may be caused by certain internal (feelings, motives etc.,) factors and other external (environmental) stimulus. A stimulus can be said to be an agent (light, piece of information etc.,) which may directly have an impact on the individual (visible in the behaviour). This means that the response or behaviour of an individual is determined by certain situational forces present in the environment. This entire situation is referred to as the S-R process or the Stimulus Response Process.

Figure 3.1 : A Simple S-R Model

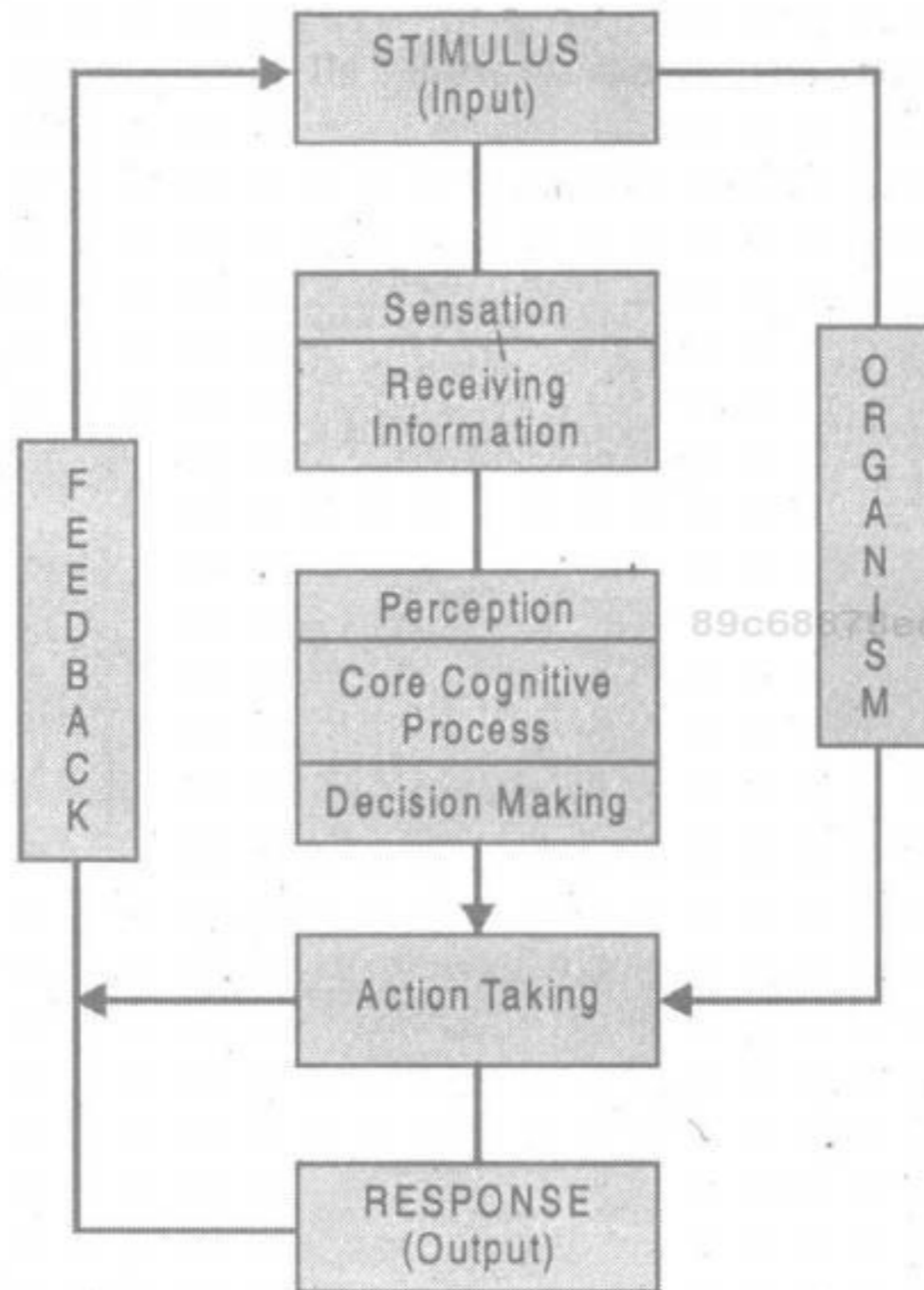


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Figure 3.1 gives a view on the S-R model depicting that certain stimulus affects the individual and causes him to respond (or behave) accordingly. But a more comprehensive model of human behaviour denotes that the situation interacts with the individual (previously) and causes the behaviour. So a modified version which includes the individual's internal feelings, which causes the response or behaviour can be seen in Figure 3.2.

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Figure 3.2 : A Modified Version of S-R Model



As per Figure 3.2, the Stimulus is processed by the Organism and the Response is visible in the behaviour. Stimulus is inclusive of all the immediate stimulus, physical and socio-cultural environment. Organism is a representation of the whole physiological and psychological being. And it is the interaction of both the physiological and psychological characteristics of the human organism which causes response or behaviour.

The information or input received by the organism is selectively processed. In the model a more encompassing term 'cognition' is used, which refers to an individual's senses as they interpret sensory information. Information processing comprises of:

- *Perception* (each one's unique way of viewing a situation or state).
- *Core Cognitive Process* (involves thinking, reasoning out and problem solving ability).
- *Decision Making* (resulting in the selection of a particular alternative).

It should be borne in mind that an individual's information processing is also influenced by each one's unique internal determinants such as his personality, learning, motivation, attitudes, value systems etc., and also external determinants like socio-cultural factors, peer and group pressure, and other organisational variables. The organism takes action (or responds) which may be in the form of an overt behaviour or it may provide the feedback which may result in the selection of stimulus for further processing.

BIOGRAPHICAL PROFILE OF AN EMPLOYEE

Most of the organisations make it mandatory for all employees joining to provide them with his or her personal as well as professional data which is to be maintained in the form of a data bank. Such data will help them in taking many employee oriented decisions and also on working out many human resources management programmes. The biographical profile will include personal characteristics such as age, gender and marital status. It is important for managers to look into the biographical attributes of their workforce in order to understand their behaviour.

AGE

If one were to look at the corporate scenario, it will be noted that there is a significant relationship between age and job performance. A very strange yet surprising corporate scene is that in India the average age of the organisational workforce is both shrinking as well as expanding simultaneously. The CEOs of the companies are of a younger age group and some retired professionals are looking forward to a return to active worklife. It can be aptly said that on an average the employees in organisations are getting younger and younger. Few such Indian CEO's who are in their early to mid 40's are: Sanjiv Gupta (Coca-Cola India), Raymond Bickson (Indian Hotels Company), Anant Koppar (CEO Kshema Technologies), M.S. Sidhu (Apara Enterprise Solutions), Rajiv Karwal (Electrolux Kelvinator). Simultaneously senior employees (very often beyond 60 years) continue to be a part of the active work force.

Age → Job Performance

Is there a relationship between age and job performance? Yes. It is believed that a majority of people take decisions based on the assumption that "*Increasing age results in declining performance*". Another glaring fact is that a *large part of the active work force is ageing*. While trying to gauge the relationship between age and work (job) performance, we look at it in terms of impact of age on turnover, absenteeism, productivity and satisfaction.

Age and Turnover

Research studies based on a study of age-turnover relationship has indicated that as the employee becomes older, he/she is less likely to quit the job.¹ The various reasons cited for this could be fewer job opportunities, and incentives in the form of higher wages/salary, longer paid leave periods and attractive pension schemes.

Box 3.1 : The Myths About Competency

"What is the best way to increase each employee's performance?" During the past decade, many organisations have wrestled with this critical question and have emerged clutching long lists of behavioural competencies. Managers rate all employees on the competencies identified for their particular role, encourage employees to work on the specific competencies they lack, and then rate employees again next year.

Although we understand why organisations would want a disciplined process to select, measure, evaluate, develop, and promote their employees, at The Gallup Organisation, we don't recommend that executives build this process around competencies.

A failed military experiment. In the late 1950s, both the British and the US military happened upon the same idea for developing a perfect officer: define the behaviours expected of the perfect officer, measure each person on these behaviours, and then train each person to develop the behaviours he doesn't display naturally.

Forty years later, after many attempts to tweak, tune and redesign, both militaries independently decided to discard what had become known as the "Great Man" approach to leadership development, because it didn't result in the development of better leaders.

Ironically, just as its original designers were rejecting it, many business organisations began adopting the competency-based approach to developing people. Today, these competency-based performance management systems tend to look something like this:

- The organisation tries to define the behavioural competencies expected of each key role.
- The organisation designs interviewing systems to select those who show evidence of these competencies.
- Once the employee is hired, the organisation measures him on these competencies, using a 360-degree tool. His total score on these competencies is weighted and is then combined with other performance matrixes to calculate his total performance rating.
- The competencies he lacks are identified. It labels these his "Areas for Improvement".
- He and his manager design an "Individual Development Plan", which encourages him to "work on" and improve those competencies.
- Finally, the organisation rates him on these competencies again the next year. If he has shown some signs of improvement, he will be rewarded with a higher performance rating. This rating will be inserted into the organisation's "Succession Planning System" to determine whether he is promotable and if so, how high.

It's easy to see why this competency-based approach is proving so popular with human resources departments. Its explicit goal is to develop people. And it allows the human resources department to position itself as a "strategic partner" to the business by identifying only those competencies that will, apparently, lead to a competitive advantage in the future.

Unfortunately, as the British and US militaries found, this competency-based approach doesn't deliver on its promise. It doesn't measurably improve productivity, customer satisfaction, employee engagement, retention, safety records, attendance records, or any other real-world measures of performance. Yes, there are examples in the literature of the employees who had "worked on" their "Areas for Improvement", and scored higher ratings subsequently. But at best, these competency "improvements" are irrelevant; at worst, they are a sign that employees have spent too much time trying to eke out improvements in the wrong areas.

By : Marcus Buckingham is the Global Practice Leader for The Gallup Organization's Strengths Management Practice.

(Source: 'Business Today', September 1, 2002, p. 84)

Age and Absenteeism

The impact on absenteeism, however, is not much as far as age is concerned. No doubt, older employees may tend to remain more absent as compared to their younger counterparts. But this is often associated with unavoidable circumstances rather than avoidable ones. This may be due to ill health and longer periods required for recuperating from illness.²

Age and Productivity

It is presumed that worker's or individual's skills like speed, agility, strength and co-ordination decay with age or passage of time. Also that on account of prolonged boredom and for want of intellectual stimulation, senior workers show lower productivity. However, research does not support this, and have failed to establish any co-relation between the age and job performance. The argument put forward is that senior employees are able to fulfill the demands of most of the jobs, even those involving high physical stamina and skills. Moreover, in case of any decay in the

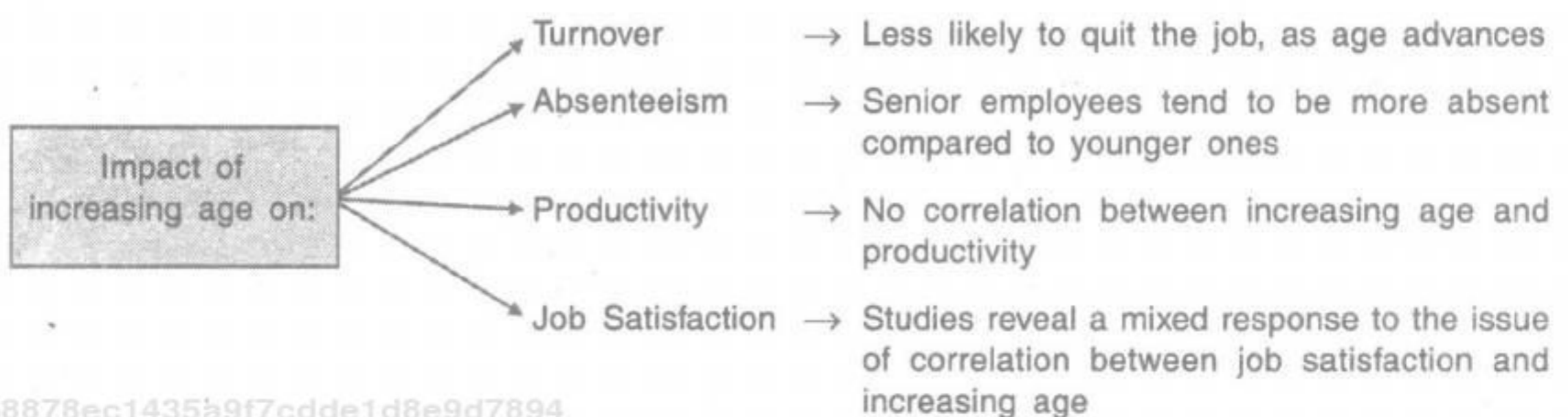
person's capacity is offset by the experience and knowledge that he brings with him or her. Read Box 3.1 on "the Myths about competency" which talks of a competency based approach to improve employees performance.

Age and Job Satisfaction

With regards to the question — is it necessary that age will affect the level of job satisfaction of an employee, has invited mixed responses. There are some studies which have revealed a positive correlation between job satisfaction and age (up to 60 years)³ while in some other studies, in the absence of segregation between professionals and non-professional, mixed responses were obtained. Though independent studies have indicated that for professionals, with age, job satisfaction increases, whereas among non-professionals, it tends to fall during middle ages and then rise again during the later years.

Employees generally believe that senior employees have more working experience, possess better judgment skills, bring with them strong work ethics and are committed to quality. There are also certain other negative perceptions — senior employees lack flexibility and are not adjustable to adapting new technology. In this age of re-structuring, when organisations are keen on downsizing the organisation structure to meet the industrial demand, *employees have to recognise age in the right perspective and select the right employees without any prejudices.*

Figure 3.3 : Effect of Age on Turnover, Absenteeism, Productivity and Job Satisfaction



GENDER

Even today, in the modern age of technology, inspite of the women's liberalization movement having gained momentum long back, gender discrimination is very much a happening thing (or practice) existing in organisations. The debate still continues — in respect of men, where do women stand or do women make better managers/administrators/bosses and so on and so forth. With increasing education, mobility etc., women of today have leaped far away from the days when they were restricted to be within the four walls of the house. Read Box 3.2 on Ms. Bharathi Narayan. Yet why is it that gender equality in its true sense is not practised?

Evidence has shown that there are not many differences between men and women in key performance areas such as problem solving ability, analytical skills, competitive drive, motivation, sociability or learning ability. There are certain psychological studies which have indicated that women have more inclination to conform to authority and that men are more aggressive and have more pronounced expectations of success. Though, there is no suggestion about the impact of gender on job satisfaction.

The society has also witnessed rapid changes in the social perception about gender differences. Today there is greater acceptance of women workforce and there are also an increasing number of women assuming top positions, like Kiran Mazumdar Shaw (Biocom), Anu Aga (Thermax), Naina Lal Kidwai (HSBC) and so on who are bringing about leaping changes in the corporate map.

Box 3.2 : Storming a Male Bastion

Bharathi Narayan has conquered the last male bastion of Bangalore. The Bangalore Club. She is the first woman in 134 years to have occupied a place in the Bangalore Club committee room. She earned this honour after winning the elections in June. She says it's been a constant struggle since then to show her mettle.

"I feel I'm always being watched. A male committee member can get away without performing, but not Bharathi Narayan. I have to do it for myself and for all women members. If I falter, it will affect the chances of all prospective women committee members," she says.

She says initially it wasn't easy being a part of the nine-member club committee. "My fellow committee members found it a little odd to have a woman in their midst. They may have thought I'd be a doormat. But now they have realised I'm a no-nonsense person. Now they look forward to my suggestions and comments," she adds.

The 3,000 member strong Bangalore Club didn't allow voting rights to women till last year. The club has around 550 women members. Granting franchise to women automatically made them eligible for election. "After I was elected, many women have come forward to take up responsibilities at the different sub-committees. Women's participation makes a difference because they are sensitive to very small issues that men tend to gloss over," she remarks. For instance, Narayan took up the issue of gym timings that were not suitable for working women, safety at the children's park and women's toilet.

She is otherwise in-charge of the club house internal maintenance and heads the cards committee. "I want to do up the Brigadier Hill Annexe. It badly needs some touching up. But we won't change its old look," she says. Narayan is probably the right person to handle this job because when she is not handling club affairs, she is busy with the upkeep of corporate offices. Her company Carewell is in the business of the upkeep and maintenance of corporate offices. Whether it's carpet or upholstery shampooing or maintaining flower pots or even servicing ACs, her company does it all. She has 26 corporate clients.

But back at the club, she has many more things to do, many mindsets to change before her term ends next June. "We are still not allowed inside the men's bar. I don't think many women would like to go there but on principle, they should be allowed there. Earlier the bar had a board declaring 'women and pets not allowed'. Now it says 'women and children not allowed'. I hope it comes down one day," she says.

(Source: *The Times of India*, November 9th, 2002)

Some of the visible changes among the Indian women are keenness to opt for flexitime part time assignments (like Telemarketing, working at call centres, medical transcriptions etc.,) involving flexible work schedules telecommuting instead of the regular nine to five jobs. Research studies have suggested that absenteeism is recorded more in case of women employees as compared to their male counterparts. One of the reasons for this could be because the society has bestowed the image of weaker sex on females, thereby making it necessary for a woman to carry out domestic responsibilities along with her professional ones. But there is emerging a definite change in gender perceptions today. Couples, especially the working men and women are willing to shoulder and share domestic chores (play househusband, changing baby nappies etc.,) along with their spouses.

Marital Status

Not many studies have been carried out to assess the impact of marital status on productivity. However, a few research studies have revealed that married employees record fewer absences.

undergo less turnover and experience greater job satisfaction when compared to their unmarried colleagues. The reasons for this could be:



Marital Status and Productivity

- Marriage brings with it additional responsibilities and hence value for the job and wanting to hold on to it.
- It may be that conscientious and satisfied workers are more likely to be married.

But no significant research studies are conducted to indicate the impact of divorcees, living together couples and on those widowed on job productivity. Thus it can be said that since the impact of marital status on productivity is inconclusive due to incomprehensive evidence — only limited impact on productivity due to marital status is there (with possible exceptions to the rule).

TENURE OF AN EMPLOYEE

The debate still continues on the issue of impact of seniority on productivity. This issue gains a significant role in organisations, and is also a widely researched area.⁴ Seniority can be calculated on the basis of the time period spent by an employee on the job. Going by this notion, recent studies have indicated the existence of a positive relationship between seniority and productivity. So it may be accepted that *tenure* (length of work experience) can be taken to be a good measure of employee productivity.

In fact, the research findings relating tenure to absenteeism have shown a negative correlation. Also, both in terms of frequency of absence and total days lost at work, tenure can be said to be the single most variable to explain employee productivity.

Tenure can also be used to explain turnover. In an article published in the Journal of Applied Psychology way back in 1982 (“A Multivariate Analysis of the determinants of Job turnover”) had concluded “Tenure has been consistently found to be negatively related to turnover and has been

suggested as one of the single best predictors of turnover.”⁵ Often past behaviour is considered to be a good predictor of future behaviour. Thus it can be said:

- In case of tenure, an employee’s previous job is a strong indicator of his/her future turnover.
- Tenure and job satisfaction are positively related.
- When age and tenure are considered separately, tenure is more acceptable as a reliable predictor of job satisfaction as compared to biological age.

TESTS OF ABILITY

We, human beings are born unequal. Each one of us is born with a unique blueprint, which evolves around our whole life. No two individuals are identical and each one possesses different dispositions, interests, physical features, mental capabilities and aptitudes. One’s work life will be a reflection of his or her personal ability and aptitude. In spite of our best efforts, it will not be possible to equal *Lata Mangeshkar* in her mellifluous voice, *Vishwanathan Anand* in his playing Chess, *R.K. Laxman* in his display of cartoons or *Sachin Tendulkar* in his batting prowess. This is not to say that we are inferior to the above mentioned personalities. But it simply implies that each one of us is endowed in a particular manner, having unique strengths and weaknesses. And it is due to this that we find ourselves to be relatively more or less superior in our *ability* to carry out certain tasks and activities.

From the employers’ perspectives it will be helpful in understanding the differences in the abilities of their employees and then use the information to ensure that they perform to the best of their ability.

Ability refers to an individual’s power or capacity to do something or perform the various tasks in a job. It gives an assessment of one’s (current) capability or capacity of what one can do. Usually the abilities of an individual comprise of both one’s physical abilities and intellectual abilities.

MENTAL ABILITY



PHYSICAL ABILITY



Physical Ability

Physical abilities is a must to perform manual tasks and semi skilled jobs. Physical abilities are very much required for performing jobs involving manual dexterity, leg strength or physical stamina. Research has identified nine basic abilities required for the performance of physical tasks.⁵ These are listed in Figure 3.4.

Figure 3.4 : The Nine Basic Physical Abilities

STRENGTH FACTORS

1. Dynamic strength — Ability to exert muscular force repeatedly or continuously over time.
2. Trunk strength — Ability to exert muscular strength using the trunk (particularly abdominal) muscles.
3. Static strength — Ability to exert force against external objects.
4. Explosive strength — Ability to expend a maximum of energy in one or a series of explosive acts.

FLEXIBILITY FACTORS

5. Extent flexibility — Ability to move the trunk and back muscles as far as possible.
6. Dynamic flexibility — Ability to make rapid, repeated flexing movements.

OTHER FACTORS

7. Body coordination — Ability to coordinate the simultaneous actions of different parts of the body.
8. Balance — Ability to maintain equilibrium despite forces pulling off balance.
9. Stamina — Ability to continue maximum effort requiring prolonged effort over time.

(Source: Stephen P. Robbins, *op. cit.*, p. 38)

It is to be understood that Figure 3.4 merely lists the nine basic physical abilities and there exists individual differences with regards to the extent to which one possesses these abilities. Also there is no relationship amongst these. For instance, a high score on dynamic strength, for an individual may not be a guarantee for him to score high on say, static strength.

For the management, an understanding of the desirable physical abilities required to perform a particular job will help to select those individuals, possessing them. This will not only result in selecting the ideal employee but will also ensure better productivity and organisational effectiveness.

Intellectual Abilities

Intellectual abilities refers to those abilities required to perform mental activities. One of the most common tools used to test general intellectual ability of a person is the popularly known IQ (Intelligence Quotient) test. These tests are conducted to ascertain an individual's intellectual ability. Some other well known intelligence tests are the CAT, MAT, GMAT, CET, GRE and various Medical Entrance Tests. All these tests are designed for a specific purpose. There are seven most frequently cited dimensions for measuring the intellectual abilities — number aptitude, verbal comprehension, perceptual speed, inductive reasoning, spatial visualization and memory.⁷

These dimensions along with a brief description and instances of jobs where each dimension is used is briefly given in the Table 3.1.

Table 3.1 : Various Dimensions of Intellectual Ability

<i>Dimension of Intellectual Ability</i>	<i>Description of the Dimension</i>	<i>Instances of Jobs where a Particular Dimension is used</i>
Numerical Aptitude	This refers to the ability to perform arithmetic or number related tasks with speed and accuracy	A Chartered Accountant preparing the balance sheet of the company
Verbal Comprehension	This refers to the ability to comprehend what is read and heard and to establish a relationship of words with each other	A CEO/COO/top executives following their company's corporate policies
Perceptual Speed	This refers to the ability to clearly identify visual similarities and differences with speed and precision	Intelligence officer(s) of the crime branch identifying clues to support his investigation of a murder
Inductive Reasoning	This refers to the ability to see a visual sequence in a problem and subsequently solve it	An economist forecasting the demand for a product for the next few years
Deductive Reasoning	This refers to the ability to use logic and reason out on the implications of an argument	The materials manager when finally selects the supplier of raw materials from many options
Spatial Visualization	This refers to the ability to visualise how an object would look if its position in space were changed	An architect designing the exteriors of a building
Memory	This refers to the ability to remember and recall past experiences.	The training manager while holding training programmes for new recruits.

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In organisations the various types of job functions requires different usages of each employee's intellectual abilities. For instance, where employees are required to perform routine jobs, there may not be a requirement for high IQ. Similarly, if the job requirement involves the employee to process information, they may need to possess more of general intelligence and verbal abilities to do the job well. But a high IQ is not a pre requisite for all types of jobs. Although studies have indicated that tests used to assess verbal, numerical, spatial and perceptual abilities are valid predictors of proficiency at all levels of jobs.⁸ Thus, tests which measure particular aspects of intelligence have been found to be strong predictors of future job performance.

Ability - Job Fit

From the above discussions it is seen that:

- People vary in terms of possessing different abilities.
- Different jobs require different types of abilities.

The need of the hour to enhance employee performance is to bring about a match fit between individual abilities and specific job requirements. This is more so because the particular job will

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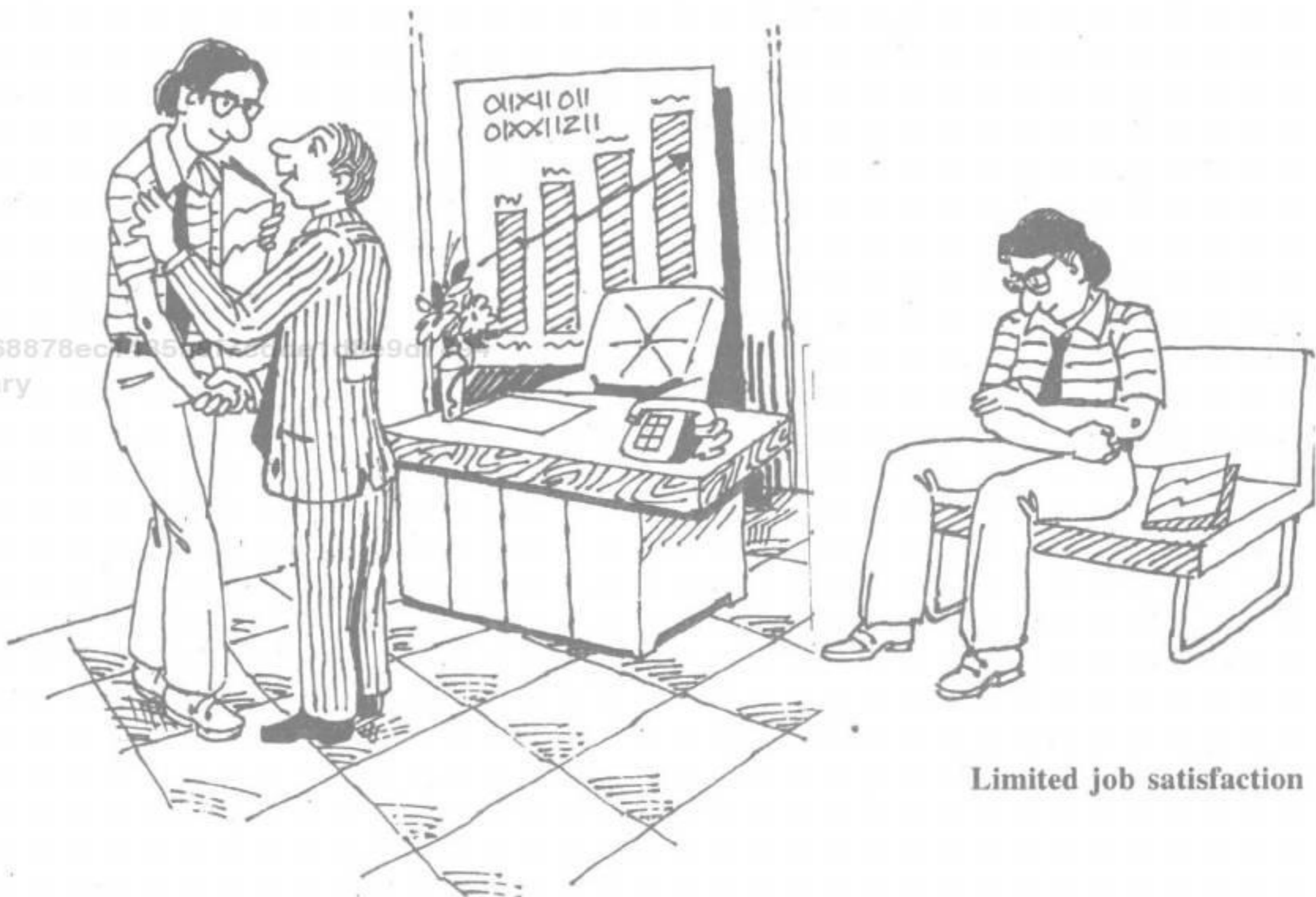
determine the specific physical and intellectual abilities desirable in order to ensure satisfactory performance on the job.

Let us have a look at a few range of professions and the kind of abilities desired by them.

- A CEO should possess good verbal abilities.
- Air-force personnel need strong spatial visualization abilities.
- Financial analysts need good numerical aptitude.
- A professional swimmer requires good body co-ordination and spatial visualization.

Hence it is imperative for the management to work out the specific abilities desirable for job performance while recruiting employees.

If the job fit exercise is not done properly, the performance is unlikely to be up to the mark. For instance, if a fresh commerce graduate, not having a flair for numbers is hired, irrespective of his level of commitment and enthusiasm, he will not be able to perform well. (A similar problem would arise if the ability job fit does not match the employees abilities, which may even be much more than what the job requires. In this scenario even though the employee will perform well (say a management graduate from a reputed business school — on his first job with an organisation) but is a mis-match for the organisation, resulting in organisational inefficiencies and a possible decline in employee's satisfaction.)



A scene of wrong ability job fit

Limited job satisfaction

For the above discussions it can be concluded that an employee's performance is a reflection on the ability job fit possessed by him and whether this matches the job requirement. So if an employee does not possess the desired abilities, his performance on the job will be poor regardless of his high level of motivation or a positive outlook. But organisations have also to be cautious when employees possess abilities more than what the job demands. This is because abilities exceeding the job requirements can also decrease the employee's job satisfaction (even if the organisation may be paying him more than it needs to). This is especially true when he has a very strong desire to make the full utilization of his abilities but is constrained by the job requirements. And in extreme cases, the organisation may end up losing some good employees. This implies organisations will have to analyse the 'Ability job fit' and provide suitable, challenging and fulfilling work environment for its employees.

WAYS TO COMBAT INDIVIDUAL DIFFERENCES

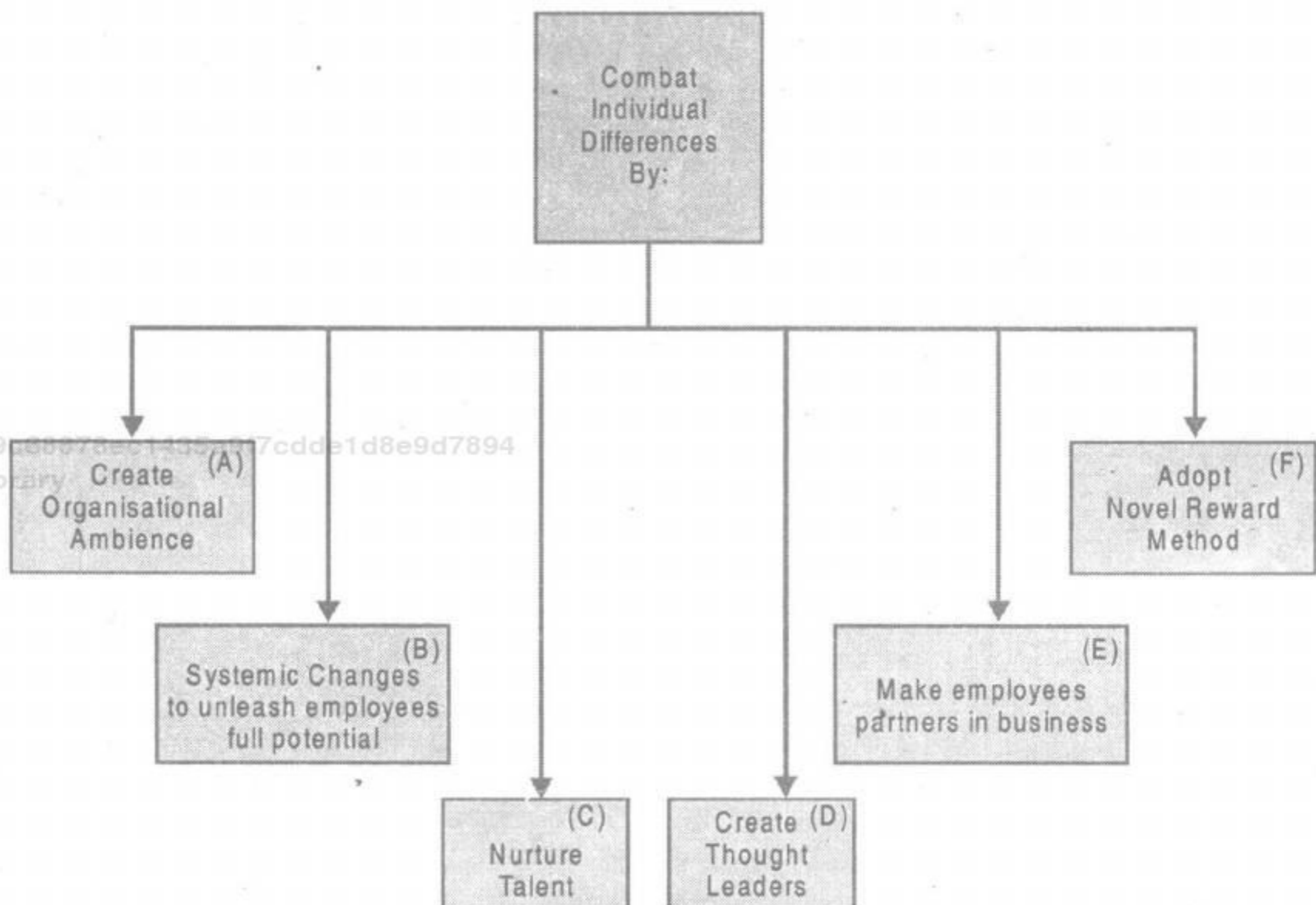
Organisations are slowly realising that in order to have a strong intellectual capital, they need to attract, manage and nurture talented and skilled personnel. Some of the proactive ways to combat individual (employee) differences to match the organisational requirement could be:

- *Employers and firms have to create an organisational ambience where talented employees can bloom.* Employers have to acknowledge that such talented knowledge personnel are innovative, and business-savvy, quick on the uptake with an instinctive ability to network and possess soaring high ambition.⁸
- *Employers will have to bring about systematic changes that will help unleash the full potential of the employees.* The management will need to create a flexible organisation structure with strong values and a robust performance ethic. Employees (especially the talented ones) can be given a free hand with enormous latitude in the way they work and the manner in which they take their work forward. Employers have to contend with employees working from home, remote access, video conferencing and reporting by exception. Some of the organisations (MNC's) such as *CISCO India, National Semiconductor India* etc., have already adopted some of these measure.
- *Exercise care and nurture talent.* Employers will have to provide more than a stimulating work environment. On the one hand, while firms should continue with the conventional development programmes, they also need to seek ways to help employees to continuously upgrade their knowledge and skills set. Firms such as *Philips India, Natsem India, Kshema Technologies, Texas Instruments, Vysya Bank* are sponsoring their senior executives for Global leadership training programmes to update their functionary skills in the leadership arena. Some other developmental activities could be in the form of cross divisional transfers, working with vendors, collaborating with competitors in the knowledge arena and so on.
- *Encourage talented employees to do the role of thought leaders.* Thought leaders is a term used to address people who are willing to think laterally and out of the usual. They can go beyond the call of duty to make a huge positive impact on the organisation. Such employees can bring a visionary, strategic and global perspective to the decision making process. *Hindustan Lever Ltd., (HLL)* is one such organisation which is known for its ability to attract and mould its able (and talented) employees, who have gone on

to occupy key positions in Unilever's global vistas. Former chairman HLL K.B. Dadiseth is presently Director (Home & Personal Care) on the Unilever Board. Another example can be of Sanjay Nayar, CEO, *Citibank India*, who in his 17 years with the bank has been exposed to a multi functional, multi locational and multi cultural training — resulting in a high degree of self motivation when assuming greater responsibilities in Citibank's global strategic decisions.

Encourage the formation of employee-partners in business. Firms can help in the creation of small entrepreneurial islands, where an organisation can house its most talented employees to experiment, innovate, dream and help to create value in an unrestricted manner. When employers adopt such moves to encourage employees to become partners of the firm, their aspirations will take a new turn and they will give their best to their employers. Ex CEO, *Britannia Industries*, Sunil Alagh, had been given a free hand to take all the strategic decisions at Britannia. It can easily be said that Sunil Alagh has been one of the key person's responsible for the splendid growth of Britannia Industries in the recent period.

Figure 3.5 : Ways to Combat Individual Differences



- *Adopt novel reward methods.* Employers could try to encourage talented employees by offering suitable openings abroad, job shadowing as part of learning and succession planning, filling in for heads of functions when (the latter) are away, giving stock options,

instantaneous performance rewards, quarterly bonuses etc. These will go a long way in recognising performance and also help the employee to feel happy to be associated with such a prestigious branded firm. *Infosys, Wipro Technologies, Telco, HLL, HDFC Bank, Reliance* etc., are the names of a few such organisations which have adopted various methods such as grooming through training programmes for their employees, ESOP's (Employees stock option schemes), challenging work assignments and so on. Such methods will help the organisations to leverage the potential of its employees and grow faster. Box 3.3 will indicate some of measures taken by the Bank of India for converting its employees into knowledge workers.

Box 3.3 : Bank of India's Initiatives at Employees Development

HRD is the single most important challenge to manage change successfully and to be able to work in an increasingly uncertain and ever changing environment. In Peter Drucker's words, "knowledge workers will rule in the 21st century". Turning bank workers into knowledge workers is the real task for HRD. We are reorienting our training programmes for imbuing staff with skills of decision making, change management, handling complex new products, marketing and operating in a high pressure competitive environment. On the job exposure is also being provided for honing staff skills in key product areas. Regular career progression opportunities are being provided.

The Bank has initiated necessary steps to make all the employees computer-literate. Besides, various in-house training programmes aimed at upgrading the knowledge and skill levels of employees were conducted at the Bank's Training Colleges. Also, a few especially designed in-company training programmes were arranged at outside institutions of repute. Plans are afoot for on-line training *i.e.*, e-learning of staff members at their desks.

With the advent of technology, organisations all over the world are undergoing a starting transformation in all-important aspects of functioning. A major initiative taken by the Bank during the year is to make the entire HR tech-savvy and technology-driven. Towards this objective, the Bank is considering Business Process Outsourcing of comprehensive HRM software package, in web-operations, centralised HR database, informative and quick decision support system and increased Staff Productivity. The project when implemented will enable the Bank to enrich and effectively deploy its valuable human resources gainfully.

(Source: Excerpt from the Executive Director, Bank of India, O.N. Singh's speech at the Seventh General Meeting of the shareholders held in Mumbai, July 10, 2003)



POINTS TO REMEMBER

1. Summation of different individual behaviours in organisations will help understand individual organisational behaviours.
2. According to the S-R model, the Stimulus (immediate, physical and socio-cultural environment) is processed by the Organism (both physical and psychological being) and the response will be visible in the behaviour.
3. Organisations prefer to maintain a biographical profile — employees' age, gender, marital status and tenure with them, in order to take employee and firm oriented decisions.
4. Understanding of an employee's physical and intellectual abilities will enable managers to put them (employees) on jobs most suitable to them.
5. In order to have a strong intellectual capital, firms have to adopt some proactive ways to combat individual differences and to match organisational requirement.

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Case Incident : Oh! How to manage individual differences?

Raju and Kirti have been friends since their school days. After completion of their college education, Raju (son of a businessman) joined his father's business CDB firm and Kirti completed his CA and joined a well known accounting firm KPL Associates. Being good in his job, Kirti slowly established a name for himself in the business circles.

Meanwhile, under Raju, CDB firm started growing and went on to become a large organisation. CDB firm was looking for competent accountants to fill up two vacancies. Tina (another competent Chartered Accountant) and Kirti were short listed and finally hired by the CDB firm. Like a lot of successful professionals, both Kirti and Tina were confident about themselves and also about giving their best to the organisation.

After some time, to keep pace with the organisation's growth, CDB went on to bring about new team structure changes. One day the General Manager (HRD) Shirish had an opportunity to meet Raju and during the course of reviewing the structural changes said "Sir, both Kirti and Tina have similar backgrounds, they are both talented and good and seem to enjoy working with us and yet have reacted in different ways to our new team structure."

When asked to explain, the General Manager (HRD) Shirish said "Last week, a new approach was created for the AD Audit because it was felt that we didn't have much experience with that type of audit. Tina has responded very well to the changed procedures, but Kirti seems not to be very happy about them. In a short time, he's gone from being one of the most pleasant employees to being very difficult to get along with. At times some of the subtle ways of managing people surprise me. We have employees facing the same set of circumstances and yet get such very different reactions from them. I simply don't understand, why there exists differences in behaviour among such employees. What should I do?"

Questions for Discussion

1. If you were Raju, what advice will you give to Shirish?
2. Can you suggest ways to avoid such occurrences in future?