

## Module 4: Chapter 2

# **HUMAN RESOURCES DEVELOPMENT**



---

---

**Indian Association of Preventive and Social Medicine  
Gujarat Chapter**

## HUMAN RESOURCES DEVELOPMENT

**Learning Objectives:** This chapter will help the students to:

1. Understand the concept of Human Resource Development
2. Know the process of Human Resource Development
3. Various mechanisms for performance appraisal
4. Various factors involved in motivation of HR
5. Understand organisation culture

HRD is one of the important Human Resource Management (HRM) functions and it includes the areas of individual development, career development and organizational development. The remaining human resource areas like employee-employer relations, human resource planning, recruitment and selection, organization/ job i.e. individual development is taken care of by the training and development function, the second area of career development needs both training as well as some organizational interventions like career development-oriented policies and the third area of organizational development is purely an organizational intervention which tries to focus on ensuring healthy inter- and intra-unit development relationship and helping groups and organizations to initiate and manage change.

It is recognized everywhere that human resources in an organization are an essential prerequisite for growth or development, especially in health institutions, where personnel constitute the main resource. It has been rightly said in “A study of the Capacity of United Nations Development system” that the “Human rather than capital is the key to development.” Development is not a mechanical process. It is a human enterprise and its success will depend ultimately on the skill, quality and motivation of the persons associated with it.

It is therefore, by increasing the efficiency, integrity and the intelligence of its personnel that an organization will give itself the real means for advancing towards efficiency. The constant improvement of the efficiency of an employee is as much the responsibility of the employee himself as it is of the organization. Improved efficiency resulting in increased productivity is of mutual advantage to both the organization and the staff.

Thus, developing the potential of health manpower requires a Human Resource Development all through the health systems. In this regard, within the district health system, the role of District Health Officer is quite crucial and important. In fact the staff working below him spends their major time in the organization or in the field within the community. The Health Department should make efforts to develop the system in the health system that focuses on HRD approach and ensures that staff working in the health system enjoys their work, feel proud and happy and are committed, competent and loyal to work as a team.

## **NATURE AND MEANING**

HRD in brief is change of Potential Human Resources into Kinetic Human Resources that is Optimization of the potential capacity of employees.

HRD is an effort to develop capabilities and competence among health personnel, as well as to create an organizational environment conducive to the employees' development.

We can thus say that HRD implies a total revolution involving human and organizational issues. Let us now discuss some of the definitions.

According to Ishwar Dayal, three things are important in HRD.

“(a) Ways to better adjust the individual to his job and the environment.

(b) The greatest involvement of the employee in various aspects of his work.

(c) The greatest concern for enhancing the capabilities of the Individual.”

We may thus define HRD as a process of the development of employees through training, performance appraisal, potential development exercise, communication policies, job enrichment programmes, etc., and building of an organizational climate, which may encourage openness, risk taking, role clarity, awareness of employee's responsibility, increased communication, improvement of personnel policies, management styles, etc. so that employees may be effective in translating their potential energy into kinetic energy and the organization may be benefited in terms of better image, higher productivity, better utilization of resources, etc. HRD in a way involves total management and for HRD to be effective, we have to introduce changes in management at all levels.

**Current status of HRD in Health System in India** - HRD has not caught the imagination of policy-makers and planners of Health System. Health Systems are suffering in different states, mostly in account of personnel problems. Medical personnel have lost their faith in Health care; rather they are busy in exploiting the people through many malpractices. It is high time that we introduce HRD to inject professional growth, dynamism, dedication, commitment and loyalty among health personnel, who are all considered semi-Gods by ailing humanity. This would be able to promote prestige and reputation of health and medical profession.

## **ESSENTIALS OF INDUCTING HRD IN HEALTH SYSTEM**

- (a) An urge and desire on the part of the state health department and district health officers to find better methods of personnel development.
- (b) Requisite skill, attitudes and ability in the persons engaged in HRD.
- (c) Proper rapport between the HRD team/Deptt. And the key personnel in the health organizations at all levels.

- (d) Removal of hurdles and irritants from the organization affecting efficiency of the employees.
- (e) Involvement of the personnel of the organization to get a lot of unwritten information for understanding the dynamics of the organization for developing an HRD programme.
- (f) The need for suggesting the introducing of only such indigenous methods, which can be implemented by the HRD section without much cost and resistance. Beside, the need for technical consideration may also be kept in mind.
- (g) Use EDP to keep continuous track of every employee and use performance appraisal, training etc. To ensure/change in the desired direction.
- (h) Members of HRD team should possess pleasant personality, common sense, imagination, enthusiasm, objectivity and the sense of humour required to induce change towards HRD, as it has been rightly said that it is easier to change the mountains than to change the minds of the people.
- (i) The HRD section must be ready to face resistance to their ideas and dispel these with facts, patience and consideration. The aim should be to develop acceptance through co-operation.
- (j) The HRD section must make all the employees in the organization understand the implications new methods through seminars, lectures, role playing or any other method to thwart the potential fears amongst the employees of the proposed changes.
- (k) HRD to be successful, needs revolution in the total concept of management and not merely sporadic and piece-meal attempts.
- (l) The HRD team/section must possess technical competence in HRD, missionary, Zeal, the capacity to motivate and communicate and manage, the capacity to inspire confidence in employees, and finally patience and dignity.

The above mentioned essentials, when understood and implemented, would help employees to contribute professionally and enthusiastically to the performance of their respective tasks in terms of the objectives, policies and targets of the organization, as well as to promote a spirit of team work among them. In this way HRD would develop both in theory and practice and this in run would lead to efficiency and economy in management.

### **OBJECTIVES OF HRD IN HEALTH SYSTEM**

- (a) Revision of the basic concepts, underlying the present personnel policy.
- (b) Modernization of clinical and administrative practices.
- (c) Introduction of a career development system.
- (d) Reform of recruitment methods.
- (e) Help the personnel to overcome their weakness and further improve their strengths and thus enable them to improve their performance and that of the health department.
- (f) Generate adequate feedback and guidance from the reporting officers or supervisors to the employee.
- (g) Contribute to the growth and development of the employee through helping him in realistic goal setting.
- (h) Provide input to: (i) a system of rewards comprising salary increments, appreciation, additional responsibilities, promotions, etc., and (ii) better salary conditions.
- (i) Help in creating a desirable culture and traditions in the health institution.

- (j) Help in identifying employees for the purpose of motivating, training and developing them.
- (k) Generation of significant, relevant, free and valid information about employees.

## **IMPLEMENTATION OF HRD**

Having discussed the definition and significance, let us also discuss the implementation of HRD. IT involves all the aspects of management but we will concentrate only on the important ones.

### **1. Commitment**

HRD can come into practice only when personnel in an organization, both at the top and lower levels, have understood the implications of HRD and desire its introduction for better performance. Such understanding would result in commitment. No organization can develop until and unless the personnel working in the organization are committed to achieve its ideal.

The future of the public services is in the hands of its members, who must strive for creativity, academic excellence, and the pursuit of excellence of service in their professional activities. Faith in the top administrators about their work would generate sufficient energy to get the co-operation of the entire staff in an organization, as faith is contagious. Staff members would try to make use of the management techniques to promote efficiency in such congenial environment. In this way, we would be able to create a climate of creativity and optimum performance. Such a situation would generate a chain effect.

### **2. Specific Action Plan and Strategy**

There is a need to develop a time bound plan to implement the proposed changes within the time frame. We may use here techniques like PERT/CPM. There is a need to design the strategy in terms of goals and objectives.

### **3. Building Morale and Motivation among the Members of an Organization**

The most important task on organization must be to give abundant and constant evidence of its belief that personnel in an organization are the key to development. This requires proper motivation of the employees. Motivation is of utmost importance as it constitutes the base for management functions of planning and organization. The personnel must devote considerable time and effort in planning for and achieving high levels of motivation and morale.

### **4. Counselling and Monitoring**

The main purpose of counselling and monitoring is to help the employees scientifically to realize their potential –their strengths and weakness. It also helps an employee in sharing and discussing his tensions, conflicts, concerns and problems. The management may devote time to educating the employees and this should continue permanently through the process of –

- 1. Training
- 2. Administrative Reforms
- 3. Interpersonal Relations
- 4. Recruitment
- 5. Performance Appraisal
- 6. Career Development and
- 7. Manpower Planning.

Besides, HRD must develop team-work which would raise the morale and efficiency of the personnel.

“Team work requires, among other things, that the members have an image of their own team-mates, which coincides as precisely as possible with reality. In addition, each member must have a self-image which adjusts to reality as much as possible and thus coincides with the image the other members have of him.”

## **PERFORMANCE APPRAISAL**

As a manager, one can ensure organizational effectiveness only by guaranteeing the full utilization of the human resources available through the individual employees. Hence, the need for monitoring and measuring the performance of employees. Performance appraisal (PA) is a systematic and objective way of judging the relative worth or ability of an employee in performing his task. Performance appraisal helps to identify those who are performing their assigned tasks well and those who are not and the reasons for such performance.

### *Job performance and performance measurement*

Most PA systems are designed to measure individual job performance. Defining job performance, however, in the health organisations at the individual level is often a difficult process. If production can be measured, there is less need for an employee's appraisal because each person can be judged according to the amount produced. but if the work performed cannot be measured, the personal characteristics which lead to increased productivity such as and contribute to employee performance such as meritorious bases for appraisal: work quality, reliability, cooperation, job knowledge, initiative, attitude, safety consciousness, attendance, learning ability, health and physical condition, adaptability, judgment and responsibility, which can be perceived, related, measured and evaluated can be taken into contribution. Although job performance involves identifying appropriate criteria, for measuring job performance, performance measurement involves how performance criteria, once defined, will actually be measured. Most organisations, in fact, depend on judgmental indices of job performance for performance measurement. When you depend on judgmental indices, the PA measurement is susceptible to numerous problems of rater accuracy and dependability.

### *The validity problems*

Performance appraisals are intended to evaluate the performance and potential of employees. Still, they may not be valid indicators of what they are intended to assess because of a variety of limitations on their use. The various types of validity problems are:

- i. *The halo effect*- The tendency of the evaluators to, base assessments of all individual characteristics on the rater's overall impression of the person being evaluated is termed 'the halo effect'.
- ii. *Bias*- Very often, your appraisal may become invalidated because of your own biases as an appraiser on account of several reasons such as regional or religious backgrounds, social or interpersonal conflicts.
- iii. *Inflation of ratings*- There may be a tendency to inflate ratings.
- iv. *Central tendency*- This is the tendency to avoid using the extremes of rating scales and to cluster the ratings around the midpoint.
- v. *Leniency error*- Leniency error occurs when the rater artificially assigns all or a certain group of employee's high performance ratings and all or certain scores cluster at top levels of the management scales.
- vi. *Strictness error*- Strictness error occurs when the rater artificially assigns all or certain groups of employees low performance ratings and all or certain scores cluster at the bottom levels of the measurement scales.

### ***The reliability problems***

Reliability ensures stability and consistency in the measurement results. Instability over time and inconsistencies among raters can considerably reduce the reliability of the PA. Moreover, reliability may be reduced due to inconsistent use of measuring standards, lack of training in appraisal techniques, and inconsistency between different raters.

***Methods of appraisal*** -Some of the techniques used in Performance Appraisal are:

***Global Essays and Ratings***-The rater is asked to provide an overall estimate of performance based upon narrative to a question such as "What is your overall evaluation of this individual's performance for the past year"? With the subjectivity in this technique, it has serious limitations.

***Trait-rating Scales***-Graphic or trait-rating scales usually comprise a list of personality traits on which a rater will be required to indicate on a numerical scale the degree to which the individual being appraised possesses these traits. However these scales are extremely vulnerable to errors such as halo, strictness, leniency, and central tendency that severely affect the validity and reliability of the ratings.

***Ranking Procedures*** -"In such a procedure, you are required to provide an overall evaluation of performance either by checking one of the following categories: Top 1 %, Top 3%, Top 5%, Top 10%, Top 30%, Top 50% (Typical), Bottom 30%, Marginal, and Unsatisfactory. Although ranking procedures often show reasonable inter-rater



reliability and eliminate other rating errors such as central tendency, they are typically not based on specifically defined measures of job-relevant performance.

**Critical Incident Methods**-While using a critical incident method, you must document the positive and negative behavioural events that have occurred during a given performance period. The objective is that you can use this information to review performance as a series of positive negative behaviours related to a job. This approach requires a great deal of inference on your part as a rater to determine which incidents are critical to job performance, and hence subject to all the problems relating to subjective judgments.

**Behaviour based Scales** -Behavioural Anchored Rating Scales (BARS) are descriptions of various degrees of behaviour with regard to a specific performance dimension. The behaviours, specifically defined, provide you the anchors for rating scales. Although these scales represent job-relevant dimensions of performance, they still pose problems for you in determining which actually observed behaviours match with specifically anchored performance scales. Despite this difficulty, BARS are a significant improvement, since they require less inference on your part as a rater than traditional trait-rating approaches.

**Types of performance appraisal** -The main types of appraisal scheme can be broadly divided into group-based schemes and individual-based schemes. Group-based schemes fall into the following categories:

- i. **Management group appraisal**-In this scheme a manager and two or more others at his level can appraise the manager's subordinate. Such a scheme can eliminate personal bias and bring out some key points of performance, noticeable only to a superior, being overlooked in everyday routine.
- ii. **Staff-group appraisal**-In this scheme, the staff man regularly sits in with a group of managers appraising subordinates, and coordinates the associated records and other paperwork. By having an 'outsider' present to coordinate the procedures, the element of personal bias in the appraisal is likely to be reduced. The main disadvantage of this type of scheme is that the staff man may play too prominent a role and thus management will not consider appraisal as part of their job.
- iii. **Committee appraisal**-The committee appraisal is one where the same group appraises all the members of a subordinate group. The advantage of this approach is that it provides an opportunity for uniform comparisons. The major disadvantages are that it can detract attention from the individual and hence place less emphasis on development than other types of schemes.



- iv. **Peer Appraisal** -The superior/subordinate appraisal is one of the most common types of appraisal scheme. It consists of the superior directly and singly appraising his subordinate (e.g. Annual confidential reports in Government). Personal bias is one of the major disadvantages in this system.

A Multiple appraisal can, to some extent, overcome the danger of personal bias, since it requires several people at the same or different levels of responsibility to appraise an individual separately. The results are coordinated by a staff specialist and then sent to the manager concerned for him to consider the appraised subordinate. However, the lack of an opportunity for discussion can lead to an unbalanced appraisal. Finally, if any scheme is to make a real contribution to self-development, then it is necessary from the outset that it be planned to involve the employee in the various stages of the appraisal process and the determination of the appropriate action required to assist him in his development.

**Making performance appraisals effective** -If performance appraisals are to be successful, they should be based on performance standards ; result in a face-to-face performance review, and be based upon multiple assessments.

**Result-oriented Schemes**-Result-oriented schemes embody the principles developed by Douglas McGregor and the management by objectives (MBO) philosophy based on Peter Drucker's writings. McGregor suggested that the emphasis should be shifted from appraisal to analysis. This, according to him, implies a more positive approach. The aim is to relate assessments to a review of performance against specific targets and standards of performance agreed jointly by the superior and the subordinate. This procedure has the following advantages:

- i. The subordinate is given the opportunity to make his own evaluation of the results he obtains. When the subordinate is discussing results and the actions that produced these results with you, he is actually appraising himself and gaining insight on how he can improve his own methods and behaviour.
- ii. Your job as a manager shifts from that of criticising the subordinate to that of helping him to improve his own performance.
- iii. It is consistent with the belief that people work better when they have definite goals which they must meet in specified periods.

**Performance Reviews**-The purpose of performance review is to analyze what a person has done and is doing in his job in order to help him to do better by developing his strengths or by overcoming his weaknesses. Counseling is a vital part of performance reviews if they are to achieve their prime purpose of helping people to improve and

develop. However, it is important to remember that effective counseling requires the use of skills which few managers are likely to acquire in the normal course of the work. It is essential, therefore, that you should acquire the necessary skills through proper training and practice under guidance.

**Potential Reviews**-A meaningful exercise in performance appraisal should include a review and appraisal of potential. The review of potential is concerned with forecasting the direction in which the subordinate's career can and should go and the rate at which he is expected to develop. The assessment of potential requires an analysis of existing skills, qualities and how they can be developed to the mutual advantage of the company and the employee.

**Using Multiple Appraisals** -To reduce problems of validity and reliability, it may be more useful to use multiple ratings rather than single evaluations. While the rating of one supervisor may not be valid, the overall pattern of several ratings does provide an indication of overall performance and potential for development. Peer ratings, self-ratings and subordinate-ratings are various attempts that have been made recently to improve the PA systems. More positively, self-ratings may be useful to include, because employee participation can improve the quality of the PA process. In fact, the more objective methods like MBO and goal-oriented procedures necessarily include self-rating as an important part of the overalls appraisal of performance and potential.

## **REWARD AND PUNISHMENT SYSTEMS**

Reward and punishment systems are mechanisms for issues like salary administration, advance increments, stopping of increments, incentives for para-medical and health workers, other forms of recognition, etc. The important issues that remains to be answered are how to motivate the health and family planning workers, what alternative forms of motivation can be possible to be provided to health personnel in the context of a fixed governmental kind of promotional opportunities etc. These require answering backed by a systematic research on rewards and punishment systems in health systems.

## **TRANSFERS**

Transfer of health personnel is the most severe of the problems that the health administrators are currently facing. In the health systems, the places of work are often in the remote areas and health personnel have their own interests, attractions and preferences. All employees have a tendency to get them placed to their most preferred

place of posting. This puts a severe pressure on the health administrators and even after making the best of the effort, there are dissatisfaction among them. Therefore, there is need for a transfer policy so that the ills due to this are removed. The ills are that due to unwillingness on the part of the employee, he does not make any effort to understand his community, establish rapport, or plan for a systematic work. The other ills are waste of time, financial resource, etc. In the health system, to streamline transfer, the urgent need is to develop a proper transfer policy, identify variables that play a key role in transfers, and then develop systems.

## **Motivation**

### **Introduction**

The inducement to the people to contribute as effectively and as efficiently as possible is called motivation. It is a process of stimulus and response. It is nothing but an act of inducement. Human motives are based on needs. Some of our needs are primary and some of them are secondary. Food, cloth, shelter, water, air, sleep, sex are some of the primary needs and affiliation, status, love and affective, self-assertion are some of the secondary needs of human being. These needs may vary in intensity and according to situation and time, but these are the motivating factors about which a manager must know.

Performance of a group of individual depends on the needs of the group as well as of individual who are forming the group. Group's needs may not be the same as that of individuals but given a common goal the individuals who are forming the group may come to identify themselves with the group's needs. The sole responsibility of the manager is to recognize the group's need without unduly and the imaginately compromising the needs of individuals who as a group have extended their helping hand for the accomplishment of a given task. The manager creates and then maintains necessary environment for the accomplishment of the objectives. This he does by motivating – inducing the people to work for the attainment of the objectives.

### **Definitions**

“Motivation is the act of stimulating someone or oneself to get a desired course of action, to push the right button to get desired action.” It is nothing but an act of inducement. Motivation as something that moves the person to action and continues him in the course of action already initiated.” It refers to the way a person is enthused at work to intensify his desire and willingness to use his potentiality for the achievement of organizational objectives.

**Robert Dubin** has defined – “Motivation means a process of stimulating people to action to accomplish desired goals”. Motivation has close relationship with the behaviour of human beings. It explains how and why the human behaviour is caused. Understanding the needs and drives and their resulting tensions helps to explain and predict human behaviour, ultimately providing a sound basis for managerial decision and action.” Thus, motivation is a term which applies to the entire class of urges, drives,

desires, needs and similar forces. Essential of Motivation includes **Productivity, Competition , Comprehensiveness , Flexibility.**

### **TYPES OF MOTIVATION**

Motivation may be classified as follows:

- (1) Positive and Negative motivation
- (2) Extrinsic and Intrinsic motivation
- (3) Financial or Non-financial motivation

#### **(1) Positive and Negative Motivation**

Positive motivation is the process of attempting to influence the employees behaviour through the possibility of reward. It is achieved by fulfilling the varied needs of individuals and the group. The impact of positive motivation is that it brings about integrity to the purpose; inculcate in the individuals and the group a sense of belongingness and a strong affiliation for which the organization stands. Negative motivation denotes consequences or reactions which people seek to avoid, e.g. dismissal, demotion, group disapproval etc. In such a situation people work only to obtain a square meals. In fact there is no motivation. There is absence of integrity to the purpose and conviction to what organization stands for and detachment between the individuals and the organization.

#### **(2) Extrinsic and Intrinsic Motivation**

Extrinsic motivators arise away from the job. They do not occur on the job. These factors include wages, fringe benefits, medical reimbursement etc. Thus, they are generally associated with financial incentives.

Intrinsic motivators occurs on the job and provide satisfaction during the performance of work itself. Intrinsic or internal motivators include recognition, status, authority, participation, etc.

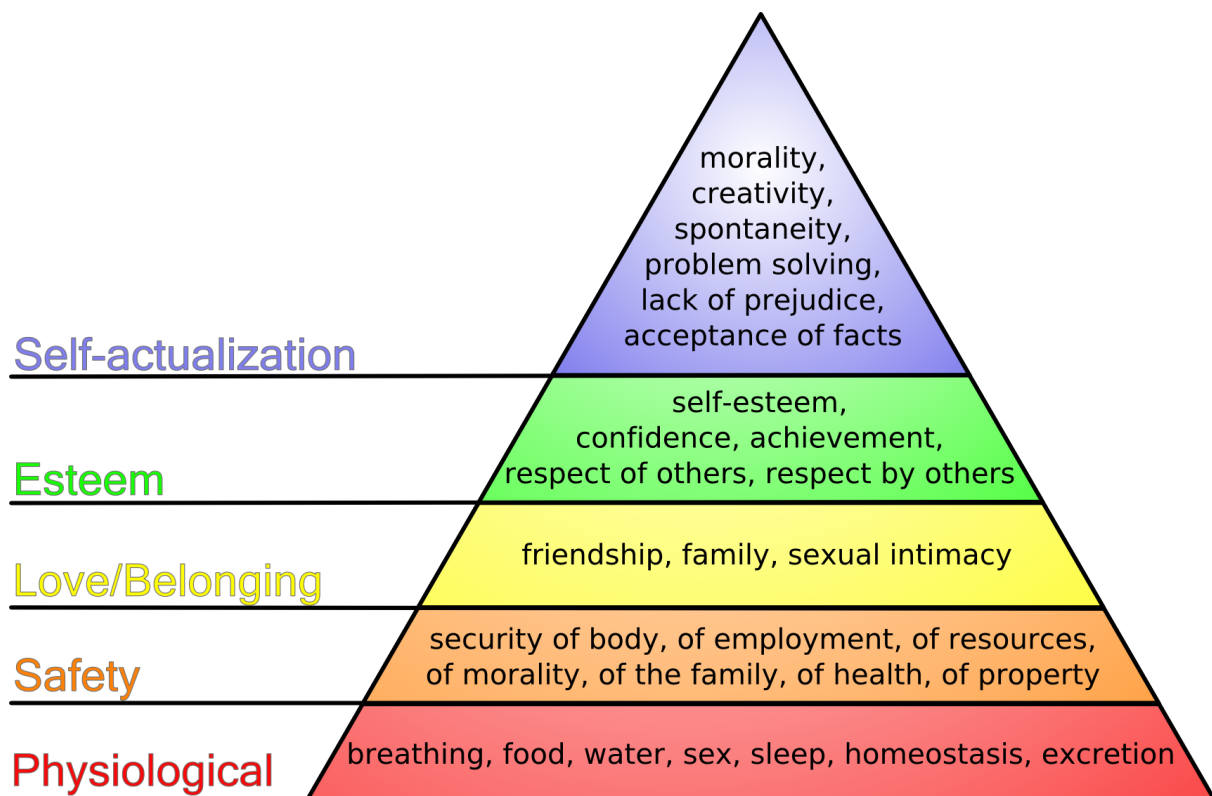
#### **(3) Financial and Non-financial**

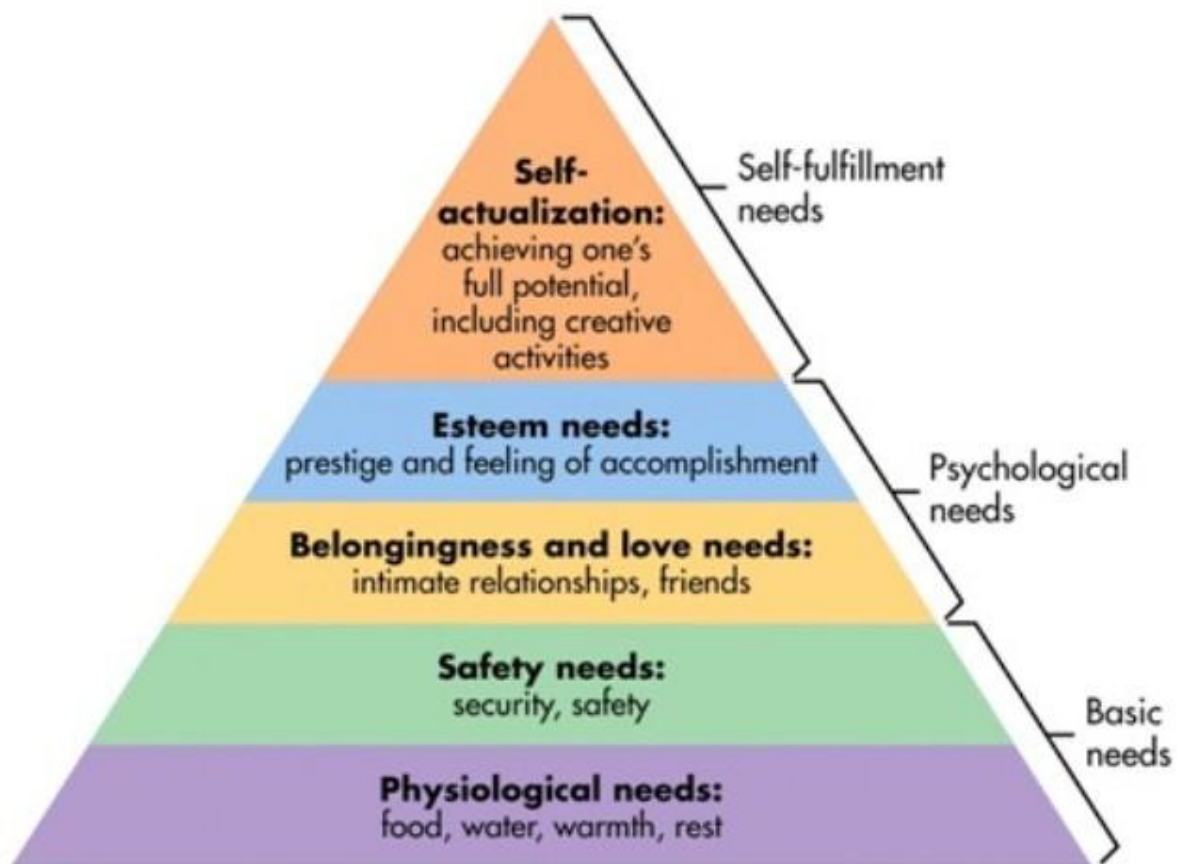
Financial motivators are those which are associated with money. They include wages and salaries, fringe benefits, bonus, retirement benefits etc. Non-financial motivators are those which are not associated with monetary rewards. They include intangible incentives like ego satisfaction, self-actualization and responsibility. The role of financial and non-financial incentives are important in motivation activities.

## Maslow's Hierarchy of Needs:

Maslow's in his book 'A Theory of Human Motivation' states that human behavior is influenced by a set of needs. The needs have been grouped into five major categories, which exist in hierarchy. Davis (1981) stressed that need levels usually have definite sequence of domination determining their hierarchy, and a need which has been adequately fulfilled is no longer a motivator.

The hierarchy of needs arranged from the lowest to the highest are as given in the figure below. An unsatisfied need level motivates an individual. Second level need do not dominate until first level needs are reasonably satisfied. The third level will dominate only when the first and the second level needs have been met adequately. It signifies that when the lower level needs are fulfilled, the next higher one becomes significant in directing the behavior of an individual to achieve the goal and so on.





These categories of needs are not exclusive. They do interact continually within an individual. Lower needs are never fully satisfied. Those recur from time to time. People are motivated by what they are seeking the most all the time rather than by what they already have.

Needs change over time with the stages of human development and between generations. May be our seniors are seeking more of esteem and status needs whereas juniors may be groping with their Security and Belongingness needs. The peak of a lower level need has to be passed over before next higher level need emerges or becomes dominant.

The personnel in hospital/Health system – setting have a variety of needs that motivate them. In providing patient care, there are a lot of inherent satisfactions. A health manager identifies the needs that are important to motivate his staff. Accordingly, he may create/generate work – situations that permit employees to fulfil their needs and to promote organizational achievement of goals. The different echelons have different needs. The lower tiers have a continuous need to be reassured that they are performing well. If the supervisors to them are supportive, employees feel more secure and intimate. Middle level managers, in comparison to top executive express that needs of self esteem, status, authority, autonomy to set their goal their accomplishment are more dominant.

If would be misleading to believe that need of self-actualization is the final end state of becoming all that one is capable of becoming. It basically entails making growth choice rather than a fear choice. It is allowing self to be creative, emerging, listening to ones conscience rather than conforming or yielding. It involves identifying one's defenses and finding courage to get out of them.

Maslow's need hierarchy is not of much significance in predicting behavior rather it is of value to managers in recognizing behavior patterns. It is now being conceded that a need considered to be satisfied at a particular stage of an employee's career may re-emerge at a different stage. The safety and security needs rapper among senior employees at advanced age because of organizational role giving rise to stress among executives.

## ORGANISATION CULTURE

Organization culture is the **psychological structure** of organizations and their sub-units. Organization culture influences the behaviour of employees towards clients, competitors, colleagues, supervisors, subordinates and strangers. The various elements of organization culture are:

- i. *Individual autonomy*-refers to individuals' freedom to exercise his responsibility (degree to which employees are free to manage themselves; to have decision making power, and not to be continually accountable to higher management).
- ii. *Position structure*- refers to the extent of direct supervision, formalization and centralization in an organization (how objectives, and methods of accomplishing these are established and communicated to the individuals by supervisors).
- iii. *Reward orientation*-refers to the degree to which an organisation rewards individuals for hard work or achievement.
- iv. *Consideration, warmth and support*- refers to extent of stimulation and support received by an individual from other organisation members.
- v. *Conflict*- extent of conflict present between individuals and the willingness to be honest and open about interpersonal differences.
- vi. *Progressiveness and development*- refers to extent to which the organisation conditions foster the development of employees, allows growth and allows application of new ideas and methods.



- vii. *Risk taking*- degree to which the individual feels free to try out new ideas and takes risk without fear of reprisal, ridicule or punishment.
- viii. *Control*- refers to the degree to which control over the behaviour of organizational members is formalized.

## **DETERMINANTS OF ORGANIZATION CULTURE**

- i. *Economic conditions*-In times of good economic conditions, when budget controls are “loose”, the organizations tend to be more adventuresome. The economic conditions of an organization influence “risk-taking”, “control”, “progressiveness and development” etc.
- ii. *Leadership style*- The leadership style has so strong influence that it may appear that organization culture is a product of the philosophy and practices of the prominent persons in an organization. Studies reveal that –
  - a) With authoritarian leadership style the organization culture tends to be higher position structure, low individual autonomy, low reward orientation, high control, low warmth and support.
  - b) With democratic leadership style with affiliation motivation the organization culture is of high reward orientation, high warmth and support, low conflict.
  - c) With goal directed leadership with achievement motivation the organisation culture is of high individual autonomy, low position structure, high reward orientation, high warmth and support, high progressiveness and development, high risk taking.
- iii. *Organizational Policies*-If company policy is that the first beneficiaries of increased profits would be employees, the culture would be high reward orientation and high progressiveness and development.
- iv. *Managerial Values*- The values held by the executives have a strong influence on organization culture. These habitual character and values of the managers are called managerial ethos. These values may be –
  - a) Autonomy – belief of managers that people prefer to feel free and to do things as they like within the constraints imposed by their group.
  - b) Equity – refers to justice in rewarding performance.
  - c) Security – both economic and emotional.

- d) Opportunity – providing career advancement opportunities.
  - e) Work value – worth a person ascribes to the work.
  - f) Opportunity of work – work may be viewed as an opportunity to accept challenges, serve others, earn money, enjoy prestige and status, be creative or be independent etc.
  - g) Action goal-orientation – manager may think his goal in activity terms (what he would like to do) rather than status term (what he would like to be). This is action goal orientation.
  - h) Pro-action – proactive people do things on their own without having to be told by anyone. Such behaviour leads to high level of activity and experimentation. They are inner-directed.
  - i) Internal resources – managers with high sense of adequacy are aware of their internal strengths and are guided by these strengths. They are open to feed-back and ready to learn from experience.
  - j) Problem-solving attitude – Managers may view themselves as problem-solvers rather than problem-evaders. They approach problem situations with optimism because they have internal law of control i.e. a strong belief that they can change the environment through their own efforts.
- v. *Characteristics of Members*- Personal characteristics of members also affect the culture. An organization with young, educated, ambitious employees would have a different culture than with less educated, older and less upwardly mobile employees.
- vi. *Organizational Size*-A smaller organization is much easier to foster a climate of creativity and innovation or to establish a participatory form of management whereas a larger organization is more likely to have authoritative management. Both of these affect organization culture.