Course Book

HUMAN RESOURCE MANAGEMENT II

MWPM02-01_E

iu

INTERNATIONAL
UNIVERSITY OF
APPLIED SCIENCES

HUMAN RESOURCE MANAGEMENT II

MASTHEAD

Publisher:
IU Internationale Hochschule GmbH
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D-99084 Erfurt

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MWPM02-01_E
Version No.: 001-2023-1101
N.N.

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INTRODUCTION

WELCOME

SIGNPOSTS THROUGHOUT THE COURSE BOOK

This course book contains the core content for this course. Additional learning materials can be found on the learning platform, but this course book should form the basis for your learning.

The content of this course book is divided into units, which are divided further into sections. Each section contains only one new key concept to allow you to quickly and efficiently add new learning material to your existing knowledge.

At the end of each section of the digital course book, you will find self-check questions. These questions are designed to help you check whether you have understood the concepts in each section.

For all modules with a final exam, you must complete the knowledge tests on the learning platform. You will pass the knowledge test for each unit when you answer at least 80% of the questions correctly.

When you have passed the knowledge tests for all the units, the course is considered finished and you will be able to register for the final assessment. Please ensure that you complete the evaluation prior to registering for the assessment.

Good luck!

SUGGESTED READINGS

GENERAL SUGGESTIONS

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UNIT 4

Minciu, M., Dima, C., Pacurari, M. N., & Manta, A.-M. (2021). The performance of organizations in the context of the VUCA-World. *Acta Geobalcanica 7*(2), 85—91. http://search.ebscohost.com.pxz.iubh.de:8080/login.aspx?direct=true&db=edb&AN=146459313&lang=de&site=eds-live&scope=site

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REQUIRED READING

UNIT 1

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UNIT 5

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LEARNING OBJECTIVES

A manager can only work professionally and successfully if they know the subject of management techniques in all its facets. This means that they must be concerned with what constitutes the employee as the bearer of the work performance within the company. People have motives for their actions; their behavior may appear irrational because it is based on needs, which cannot be seen. However, behavior can be easily predictable. This is the case when there is science-based knowledge about how people generally behave in the context of work performance under certain circumstances. It is then possible to increase the probability of a certain (desired) behavior by making appropriate management decisions. The course **Human Resource Management II** delves into these subjects, spread over five units.

The need for studying how people work today and want to work in the future can be proven in recent statistics. The most recent EY-study found that 48 percent of German employees are willing to change after the pandemic (Hinz & Heinen, 2022, p. 11).

The scientific discipline of organizational behavior focuses on research into human behavior within the organization construct of a company. It examines the determining factors of human behavior and describes how people behave as individuals within the group and the organization. As with most established scientific disciplines and fields of research, alternative theoretical approaches exist.

Starting from a basic model of organizational behavior, which describes the individual, group, and organization levels of observation, the influencing factors and their mechanisms of action on the behavior-understanding variables and central theoretical approaches are listed in each case (Hinz & Heinen, 2022).

Biographical characteristics, personality, needs, and emotions are fundamental at the individual level, whereas dynamic processes that are regularly observed, as well as norms, standards, cohesion, and roles, must be considered at the group (team) level.

At the organization level, both work- and structure-related design variables are used to explain the relationship between organization and behavior, performance, and satisfaction. In this context, organizational culture and climate are decisive framework conditions whose factors and their respective changes are also considered. The primary focus is on those aspects of human resource management that have a reciprocal relationship to organizational change. Needs, motives, motivation, and motivational factors play a significant role in the theory of organizational behavior. They are also the basis of leadership and leadership theories.

UNIT 1

ORGANIZATIONAL BEHAVIOR

STUDY GOALS

On completion of this unit, you will be able to…

- define organizational behavior as a research field with an interdisciplinary approach.
- understand the basic model of organizational behavior.
- recognize the lines of development of organizational behavior.
- understand the basic assumptions of organizational behavior.

1. ORGANIZATIONAL BEHAVIOR

Introduction

According to Robbins (2001), organizational behavior is a field of research that studies the effects of individuals, groups, and structures on behavior in organizations to increase an organization's effectiveness by applying the knowledge gained (p. 25; Laloux, 2014).

In this definition, it becomes clear why it is worthwhile to thoroughly examine the scientific study of human behavior within the organization of companies. Robbins states the goal clearly: It is about increasing the effectiveness of the organization. This is not an end in itself, but directly supports the pursuit of the company's goals in terms of performance, finances, and results. Sinek (2019) provides another perspective for the infinite vision of a company. He defines a successful company as an organization that has a higher purpose.

It is inconceivable to distinguish management activities from leadership aspects; they are inseparable. Whether managers are referred to as role holders or function holders, their activities are described as focusing on personnel management, communication, and network maintenance, as well as fulfilling the special need for social competence: People skills are a *conditio sine qua non* (Robbins, 2001).

Furthermore, the introductory definition points out that organizational behavior is an established field of research. It is, therefore, to be expected that scientifically valid findings on the behavior of people in organizations are available and that recommendations for action and design in management practice can be derived from them.

In general, these considerations give rise to a whole set of questions that must be discussed, including the following central questions:

- What knowledge is available about the regularly observable behavior of people in organizations?
- What is the impact of individual and group actions on the organization and its performance results?
- What motivates people to act the way they do in an organization?
- How can the actions of people be systematically influenced with regard to individuals, groups, and organizations?

1.1 Basic Model of Organizational Behavior

Interdisciplinarity

In the introductory definition, we qualified organizational behavior as an independent research field. Particularly in Anglo-American management schools, it is regarded as established and essential for managerial education. As the term implies, the findings that are directly translated into management action are not only based on economic science but also draw on neighboring sciences that make independent contributions to explaining people's behavior in specific situations and in organizations.

Human behavior is always an interpretation. This may sound strange because people often seem to act irrationally and chaotically, but it represents the basic assumption underlying research into human action.

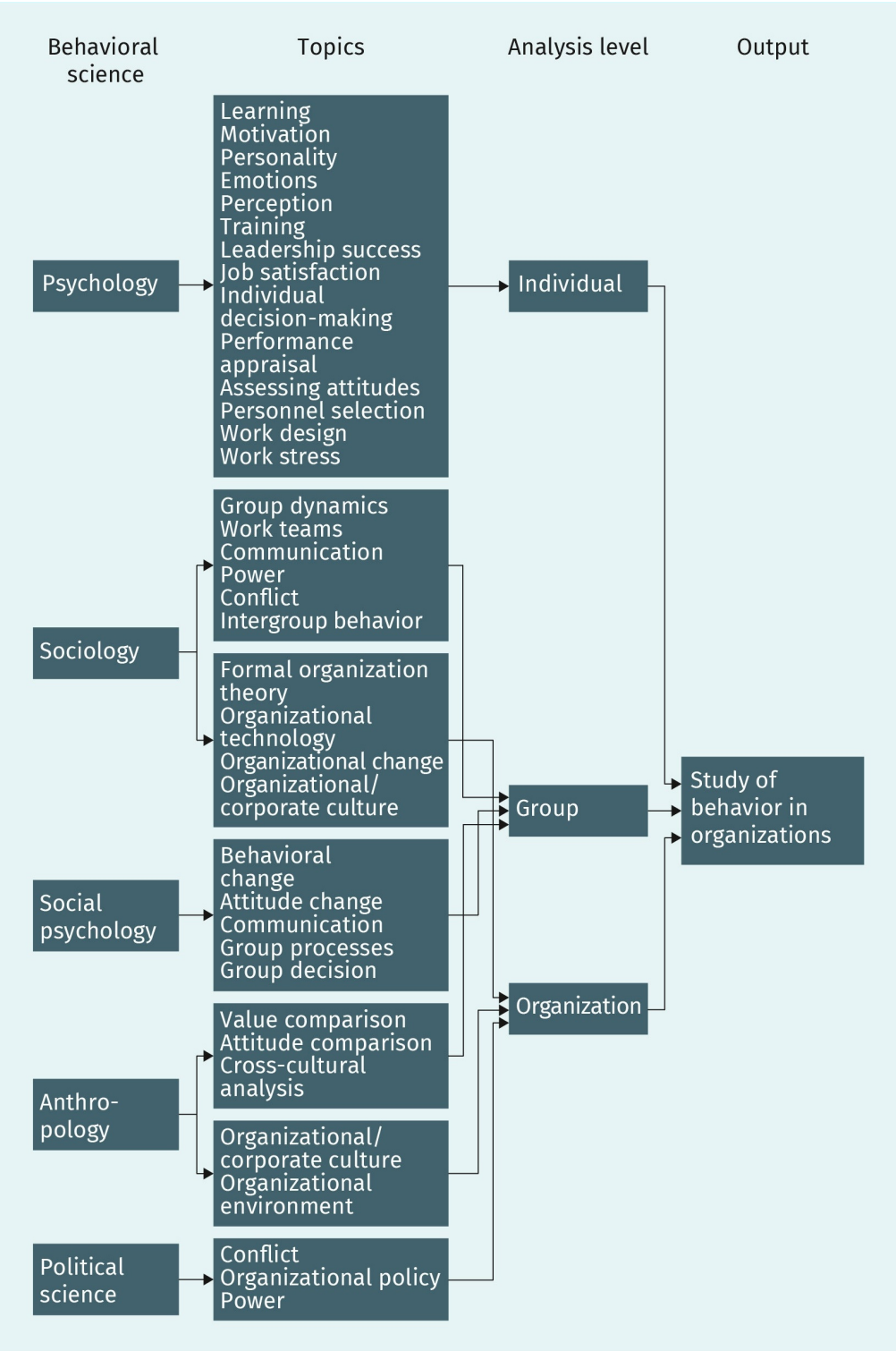
To this end, a consideration not unusual to the scientific approach is made: We begin by observing the rationally acting human being and examine deviations from this. If we know how a person observes, perceives, and processes a certain situation, we can conclude, based on observations of similar arrangements, with what probability the decision for a certain behavior is made.

Current approaches in decision theory, cognitive psychology, and new institutional economics also attempt to explain, systematize, and predict irrational behavior. Heuristics are identified, which help people when they have to make uncertain and risky decisions under time pressure. Irrational behavior is then explained by perceptual distortions or processing errors in information utilization.

Not all people will behave the same way in all situations. However, the goal of predicting human behavior is certainly achievable based on empirical observations and robust models, especially when an interdisciplinary approach such as organizational behavior integrates findings from other sciences.

As the following figure shows, the study of behavior in organizations as a contribution to economic models is derived specifically from the behavioral contributions of psychology, sociology, social psychology, anthropology, and the political sciences, among others. The merely exemplary guiding themes listed provide insight beyond the respective discipline-specific findings into an interdisciplinary body of thought that represents an extremely complex, multifaceted conglomeration, even for management theories.

Figure 1: Structure of Organizational Behavior



Source: Robbins (2001, p. 29). Used with permission.

It would be inappropriately simplistic and unscientific to take only those findings and theoretical approaches from the respective disciplines that provide a convenient answer to the respective question. Such an approach, which is not uncommon in popular science publications, is to be rejected. Nevertheless, the scientific research behind organizational behavior has established itself to the extent that consistent theoretical approaches have been developed that can be verified by empirical studies. Although these approaches make use of the findings of the aforementioned disciplines, they represent a distinctly separate approach.

Organizational behavior, as a systematic research discipline, considers the diversity of sources, their explanatory approaches, sources, and methods, and has developed its own consistently applied set of tools (Robbins, 2001). The impressive abundance of publications in primarily English-language journals also testifies to this.

Organizational behavior
The interdisciplinary research field organizational behavior acknowledges the fact that humans behave irrationally and integrates various findings from social sciences and psychology in economic models.

Three Levels

Organizational behavior looks at human behavior in three levels that build upon each other: individual behavior, behavior in groups, and the impact on the organization. Accordingly, the sources at the analysis level of the model are more likely to be from psychology (individual), sociology, social psychology, and anthropology (group), or political science (power and conflict aspects of the organization).

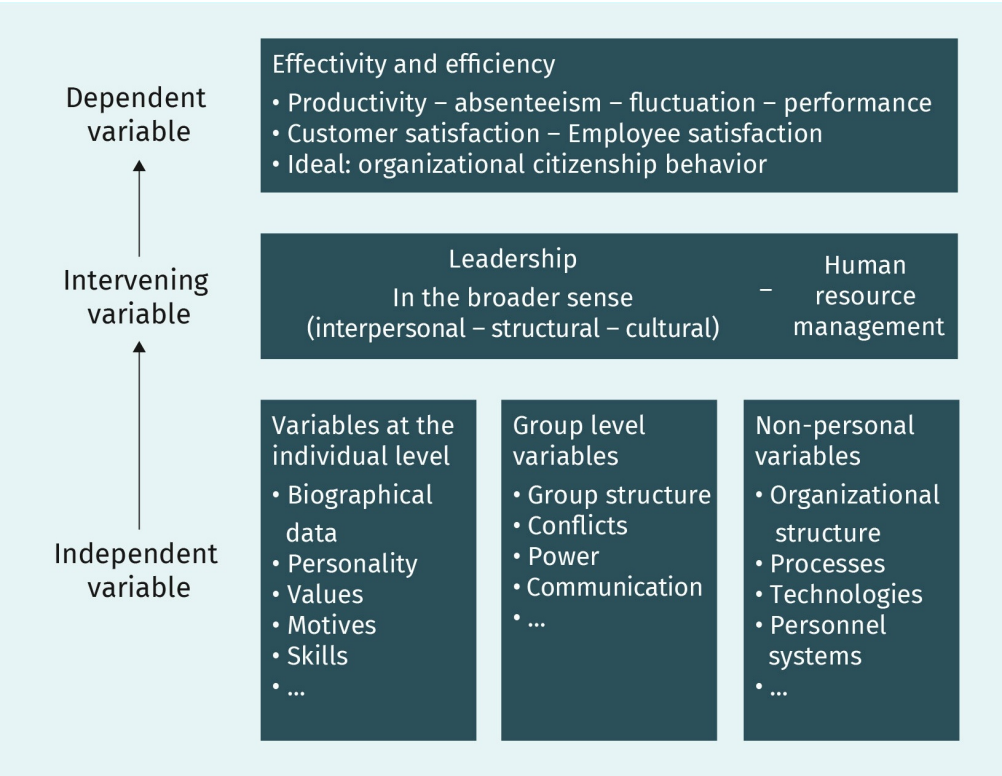
Organizational behavior is not a purely empirical science. It aims to predict certain variables. These outcome variables are called **dependent variables**. The outcome exhibited by the organization is dependent on the independent variables and the particular action within a model. In the case of organizational behavior, the dependent variables are the performance, financial, and outcome goals of the organizations. How these are measured and determined is a matter for controlling, but, in principle, they will often appear in the form of the following ratios and key performance indicators:

Dependent variables
An outcome that is influenced by several independent variables is called an independent variable. Independent and dependent variables often form a cause-effect-relationship.

- effectiveness and efficiency
- productivity
- financial targets (liquidity, profitability)
- growth
- human resources targets (absenteeism, staff turnover, employee satisfaction)
- quality variables (accuracy, customer satisfaction)

As independent variables, organizational behavior identifies variables at the level of the individual, the group, and the organization. That is why it is so important to know exactly the structure and form of these independent variables. The intervening variable is employee management, i.e., the direct bridge to human resource management as the strategic and operational implementation of decisions made by managers in the organization.

Figure 2: Basic Model of Organizational Behavior



Source: Berthel & Becker (2013, p. 28). Used with permission.

Basic Contingency Theory Model

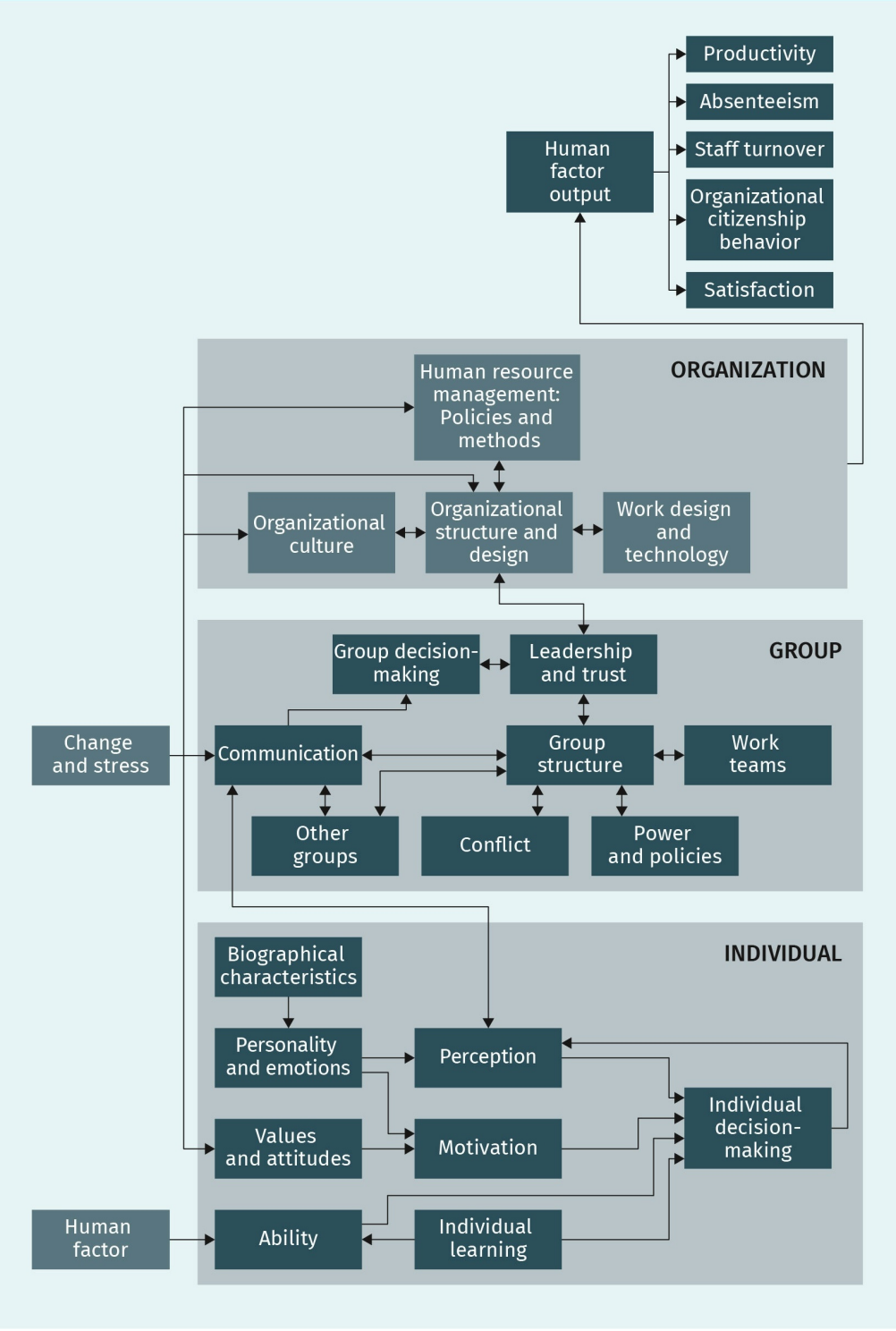
Integrating the output of the organization as a measurable outcome in terms of value into the basic model of organizational behavior raises the question, from a cybernetic perspective, of how the input is shaped. Specifically, the question of what drives the independent variables is raised. In his contingency theory model, Robbins (2001), used, in addition to the human factor, change and stress as inputs. These input factors seem arbitrary but can be used to explain the basic structure of the model and can be substituted as needed.

In addition to performance-related variables, personnel-related variables are also named as outputs in this model. The model shows the correlations between variables at all three levels and the influences on variables at other levels. The starting point is the individual, who develops motivation based on their abilities, biographical characteristics, values, and attitudes. This, together with the individual's ability to learn and to perceive, leads to a particular behavioral decision in a given situation.

At the group level, communication, group structure, and leadership lead to a complex interplay of group decisions. Leadership and trust can influence and be influenced by decisions about the structure, design, and culture of the organization, as well as the design of work and the technology used. It is at this level that the creative and design decisions related to personnel management and human resource management take place.

For this reason, we will be guided by this outline: We will first ask about the basic patterns and influencing variables of individual behavior, then look at groups, and finally at organization and leadership.

Figure 3: Basic Model of Organizational Behavior Level II



Source: Robbins (2001, p. 44). Used with permission.

1.2 Development of Organizational Behavior

As long as business has relied on human labor, systematic thought on organizational behavior has been evident. Robbins cites the work of Adam Smith, Charles Babbage, and Robert Owens from the eighteenth century as examples (Robbins, 2001).

However, the current state of scientific work on organizational behavior is a result of study from the twentieth century. This development can be traced back to the general development of management theories.

Scientific Management

In the years from the turn of the century to the 1930s (a period also known as the classical era), business followed the ideas of scientific management. The search for the optimal employment of workers, originating with Frederick W. Taylor, aimed to carry out scientific work analyses. The purpose was to filter out the optimal processing of a task from several alternatives and to set it as the default with a focus on improving production efficiency. Taylor (2004) established four principles of scientific management which, if followed, promised higher wages to his company's employees:

1. The leaders develop a system, a science for each element of work, which takes the place of the older, established method.
2. On the basis of scientific study, they select the most suitable people, train, teach, and educate them, instead of leaving it up to the workers themselves, as in the past, to choose what they do and how they are educated.
3. They work in cordial agreement with the workers and thus can be sure that all work is done according to the principles of the science they have established.
4. Work and responsibility are divided equally between the management and the workers. The management takes upon its shoulders all the work for which it is better suited than the worker, whereas hitherto almost all the work and most of the responsibility had been heaped upon the workers.

This makes it clear that the term "science" here does not satisfy any scientific-theoretical requirements, but rather means knowledge about the optimal design of work. Taylor's approach is strongly criticized from today's point of view, his efforts are creditworthy considering that the discovery of the employee as a human being and as the bearer of labor power did not happen until decades later. Moreover, when reading his work, it becomes clear that he wanted to maximize both the bottom line and the income of his employees. However, even today, the term "Taylorism" is primarily used to describe a disregard for the needs of employees. Nevertheless, working time studies, such as those by the German Association for Work Design, Business Organization and Business Development (REFA), continue to be widely used in production companies.

The work of the French industrialist Henri Fayol also belongs to the scientific management phase. He was the first to distinguish between the five management functions of planning, organizing, commanding, coordinating, and controlling. He recognized the growing

importance of administration and separated the work of management from that of the operational functions, namely production, accounting, and sales. His work must be seen against the backdrop of a slowly emerging systematic view of economics at the beginning of the twentieth century, when particularly the production-heavy large-scale enterprises allowed management tasks to appear for the first time that had hitherto been unknown. Fayol's distinctive impact was that his teachings were taken up by schools and universities. In essence, they are still taught today. This is true for the management functions listed above, as well as for his 14 general principles of management (Kennedy, 1998):

1. Division of labor: Increasing efficiency through specialization.
2. Authority: The authority of managers is always accompanied by responsibility.
3. Discipline: This arises from agreement on rules and sanctions between workers and managers.
4. Unity of task assignment: An employee must receive instructions from only one superior.
5. Unity of management: This is one head and one plan for a group of activities with the same objective.
6. Subordination of individual interest to the general interest.
7. Remuneration: This means fair pay for services rendered.
8. Centralization. This is the search for the optimal degree of centralization depending on the specific circumstances.
9. Chain of command: Good communication follows a top-down hierarchy unless detrimental delays occur.
10. Order: Each person and every thing should be in the right place at the right time.
11. Equity: Subordinates shall be treated kindly and fairly.
12. Stability of personnel: Constant change of personnel is counterproductive.
13. Initiative: The ability to conceive plans creatively increases productivity.
14. Team spirit: It brings harmony and unity to the organization.

This list shows that Fayol was well ahead of his time. In terms of the history of ideas, the publication date of his work was in the mid-1920s, still in the phase of scientific management, but his principles read, in parts, like a modern textbook.

The German sociologist Max Weber is credited with being the first author to describe the activities of organizations, thus building a bridge to organizational behavior. However, his theses on the structure of authority were meant only as an exercise in thought. Even he did not intend to transfer them into practice. He used the term "bureaucracy" to describe the ideal type of an organizational form defined by division of labor, hierarchy of office, formal selection procedures, formal rules and regulations, impersonality, and a career path based on affiliation and performance.

If one places the end of the scientific management phase in the 1930s, the work of Mary Parker Follett would also fall into this period. Her writings, although more philosophical in approach, present the thesis, unusual for the time, that organizations can be viewed from both an individual and a group perspective. Based on the belief that an individual can only develop to the maximum and achieve their maximum performance within the group, the role of the manager follows as a coordinator who understands themselves as a partner of

the workers and the group. What has endured to this day is the idea that managers should define themselves more in terms of their harmonizing role and expertise than in terms of purely formal authority.

Another noteworthy mention is the work of Hugo Münsterberg. He published his *Psychology and Industrial Efficiency* in 1913, arguably the first work on industrial psychology.

Human Relations (Behaviorism)

In terms of the history of ideas, the **human relations** phase followed scientific management until around the end of the 1950s. The core idea at this point was that employee satisfaction was the key to productivity increases. The most important authors of this phase represent theoretical models that are automatically associated with their names: Dale Carnegie, Abraham Maslow, Douglas McGregor, among others.

Human relations
Contrary to scientific management, the human relations model follows the premise that employee satisfaction positively impacts work performance.

The Hawthorne Studies are inextricably linked with the human relations phase. According to Harvard professor Elton Mayo, the most important results of the work studies conducted from 1927–1932 were the acknowledgement of the connection between performance and feelings; the influence of the group; and the non-monetary appreciation of work performed (Sonnenfeld, 1985).

Humanistic Approaches

With the entry of the behavioral sciences into management research, what today constitutes organizational behavior was finally established. The special feature is that the ability and willingness of the individual to assume responsibility, to exercise self-control and self-motivation, and to make rational decisions oriented to the operational goals is, as a matter of principle, down to the individual. Its implementation depends primarily on the respective framework conditions (Berthel & Becker, 2013). Under the title of *The Humanization of Work*, a rethinking began. Since then, new forms of labor organization have been used in an attempt to expand the scope for action and participation as a driver of self-realization and job satisfaction.

At the same time, various branches of research split off, so that even an approximation of a complete overview seems difficult. Examples include the work of Jacob Moreno (the technique of sociometry), Burrhus Frederic Skinner (conditioning, reward, and punishment), Fred Fiedler (situational leadership theory), and Frederick Herzberg (motivation). We will explore some of these authors later on.

The Current Situation

Today, organizational behavior as a whole is quite diverse and frayed. A central theory encompassing all research disciplines is, therefore, still lacking. However, it seems that with agreement on the contingency theory, the research community has created a common basis on which consolidation can take place instead of further uncoordinated fragmentation (this is the preliminary conclusion of Robbins, 2001). Contingency theory refuses to make general statements about human behavior, that is, in this model each situation is unique (e.g., Laloux, 2014; Scharmer, 2016). This applies to the circumstances,

the size of the operation, the situation and pressure of the problem, and far more effectively, to the factors used to explain it. They are highly interdependent and their situational interaction is considered to be completely unpredictable. The aim of this research is to analyze the interdependencies and identify starting points for management. What needs to be identified is which of the numerous theories and instruments is the right choice in a given situation.

Some of the newest ideas regarding the future of working together relate to the approaches of holistic work and design-thinking, in which the role or function of each person changes depending on their strengths, the leader is elected by the team, and takes on more of a coaching role (Brache, 2002).

1.3 Fundamental Assumptions of Organizational Behavior

General Clarification of Human Behavior

The various theoretical approaches for the individual development phases in the history of ideas differ in their underlying conception of humans, as well as their conviction of how human behavior is determined, including whether and how it can be influenced.

All models of organizational behavior share the assumption that human behavior can be explained. This basic assumption in the days of behaviorism was that of a pure stimulus-response pattern, that is, human behavior in organizations was seen as a reaction to environmental stimuli. It was not until the work of Kurt Lewin in the 1930s that this simple relationship was further differentiated. For Lewin, the mere reaction to environmental stimuli was not a sufficient explanation. He pointed out that the type and extent of perception and processing of the stimuli in the individual also have an influence on behavior (Berthel & Becker, 2013).

Behavior thus becomes a function of the person and the environment, with the person being explained by their basic personality structures, but also by their current emotional and cognitive state. The environment includes the social context, the situation in which the person finds themselves, and the stimuli offered from the environment. Thus understood, the mathematical representation of the function is

$$V = f(P, U)$$

An explanation of why behavior is situational, interdependent in the factors that determine it, and thus why the causes that lead to behavior can rarely be explained unambiguously and accurately because of their infinite possibilities.

Can behavior then be explained and understood at all, or even purposefully influenced? According to the S-O-R-C model, it is explained by stimuli and the person's respective reactions. An external stimulus (S) is perceived, processed, and evaluated in the organism (O), resulting in a reaction (R). In addition, the person expects certain feedback or consequences (C; Jost, 2008).

The S-O-R-C model has found widespread use primarily in consumer research and marketing. Ultimately, however, most studies on the effect of leadership behavior are also based on this simple neobehavioristic model (Wegge & von Rosenstiel, 2013).

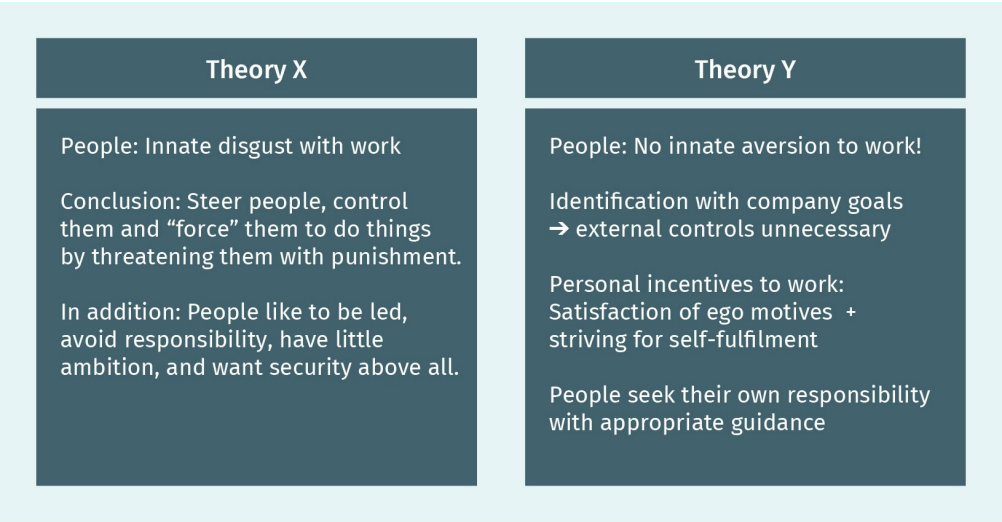
The Idea of Man

The previously developed historical trends in the scientific explanation of human behavior in sales make it clear that different, sometimes diametrically, views of human beings create the basis in each case. One of these trends is the idea of man, a central concept in the psychology of work and organization. This is due to the fact that in scientific work, a reduction of complexity of the infinite variety of individual attitudes, motives, and behaviors of the people acting in the company is necessary. Every theory about people in organizations faces the dilemma of having to reduce an inherently irreducible variety of statements about human motives, behaviors, etc., in order to arrive at manageable and thus practicable system statements (Steinle, 2005).

The idea of man has a second, practical significance in addition to the theoretical one: Like every human being, managers have very individual, implicit basic assumptions, attitudes, and expectations with regard to the goals, abilities, motives, and values of employees (Weinert, 2004). Management training should therefore include instruments that reveal the respective idea of man of the managers - not so much in order to intervene normatively, but rather to make the managers aware of which Idea of Man they actually lead according to.

The simplest representation of the Idea of Man is that of McGregor (1982). He merely distinguishes between two different types: type X, which corresponds to the idea of man he extracted in 1960 from the scientific literature available at that time, and type Y, which he placed against it as an ideal image. This rather simple approach would not really be worth mentioning today if it had not subsequently been adapted by many other authors and, even more so, in management itself. It is possible that the attractiveness of this statement lies precisely in its simplicity because it can also be easily adopted today by managers who do not want to make any further differentiation.

Figure 4: Assumptions of McGregor's Theory



Source: Berthel & Becker (2013, p. 33). Used with permission.

In the scientific treatment of the idea of man, a much more nuanced listing of ideal types is often made parallel to the history of development. The following distinction is used by Schein, complemented by the "virtual man" only identified later.

Figure 5: Idea of Man According to Schein

Source: Berthel & Becker (2013, p. 35). Used with permission.

In early 20th century mass production, the worker as an interchangeable resource was the focus of scientific management. Both Taylor, for more manual work, and Ford, for the extremely labor-divided mass production, acted according to the idea of the "economic worker." This idea was based on an average worker who is averse to responsibility and strives for the greatest possible profit. Therefore, they act exclusively in a rational manner (hence Schein's term rational-economic) and is controllable by monetary incentives. Most are likely aware of the view of the worker in mass production, which is vividly illustrated in Charlie Chaplin's *Modern Times* by a line worker who, in a dream, becomes part of the machine. The understanding of a company as a machine with human machine parts cannot be depicted more clearly.

The Hawthorne studies led to a paradigm shift in the idea of man. The “social man,” now taken as the model, is a human being oriented toward social contact and interpersonal relationships. Organizations were now understood as social systems; however, the human relations movement was not able to bring about fundamental changes in work structures and work processes (Kauffeld, 2011).

This only happened with the establishment of the idea of the “self-actualizing man” starting in the 1950s. The keywords of this concept are autonomy and control over one's work, which makes self-determination possible. Work content, task extensions, and work in semi-autonomous groups were being attempted in order to achieve both motivation and job satisfaction of the employee and an increase in innovation and productivity of the entire company. Even today, the concepts of job enrichment are a late echo of this period of humanization at work.

The “complex man” as an idea of man is the response to general recognition of the fact that reality is much more complex and dynamic than the rather simply constructed ideas of man that had been assumed up to this point. The image of the complex man consciously incorporates building blocks from previous models and considers the situational and individual configuration of abilities, competencies, qualifications, motives, goals, values, etc. The dynamic component of a change process is also considered in personal development. This corresponds to the consideration of complexity and dynamics which has been generally accepted in all management theories since the 1990s. There are no longer any universally valid theories; differentiation is the norm.

The latest development in the idea of man sees the “virtual man” as an expression of a person shaped by social change who must orient himself in a multi-option society with a mixture of de-traditionalization, optioning, individualization, and network building, as well as new forms of work such as virtual work and virtual teams (Kauffeld, 2011).

The different ideas of man have an impact on the conceptual design of work, the understanding of organization, organizational structures, and the evaluation criteria of work.

Table 1: Idea of Man Overview

Idea of man	Economic man	Social man	Self-actualizing man	Complex man	Virtual man
Phase	Scientific management from approx. 1900	Behaviorism from approx. 1930	Human relations from approx. 1950	Complexity/ dynamics from approx. 1990	Networked working world Current
Organizational approach	Technical system	Social system	Socio-techichal system	Differentiated/ Situational, Contingency	Socio-digital system
Design concepts	Taylorism/ Fordism	Workplace design	Job enrichment delegation	Individualization	Qualification coordination

Idea of man	Economic man	Social man	Self-actualizing man	Complex man	Virtual man
Organizational Structure	Centralized, bureaucratic	Group organization	Decentralized	Decentralized, situational	Decentralized, virtual, flexible
KPIs	Efficiency	Satisfaction	Personality enhancement	Flexibility enhancement	Work-life balance

Source: Stephan Frigger (2014).

SUMMARY

Organizational behavior studies the behavior of individuals and groups and its effects on organizations. The goals are to increase the efficiency of management, in particular of leadership actions towards employees, and to support the pursuit of performance, financial, and profit goals of the company.

Organizational behavior is an interdisciplinary approach with its own nomenclature and research methods. It considers the three levels of individual, group, and organization separately, but also considers the interactions between them.

The trends in organizational behavior can be described as running parallel to the developmental phases of the economy. One of the basic assumptions of organizational behavior is the fundamental ability to describe human actions and the reasons for them.

The ideas of man, which can also be assigned to the development phases, have a considerable influence on leadership actions, but also on organizational issues and the concrete structuring of the company's work.

UNIT 2

FUNDAMENTALS OF INDIVIDUAL BEHAVIOR

STUDY GOALS

On completion of this unit, you will be able to…

- understand which factors influence behavior on an individual level.
- recognize of the contribution to behavior that can be attributed to biographical characteristics.
- explain the connection between personality attributes and behavior.
- discuss which approaches psychology uses for the categorization and emergence of emotions.
- differentiate the values and attitudes on individual behavior and the contributions they make.

2. FUNDAMENTALS OF INDIVIDUAL BEHAVIOR

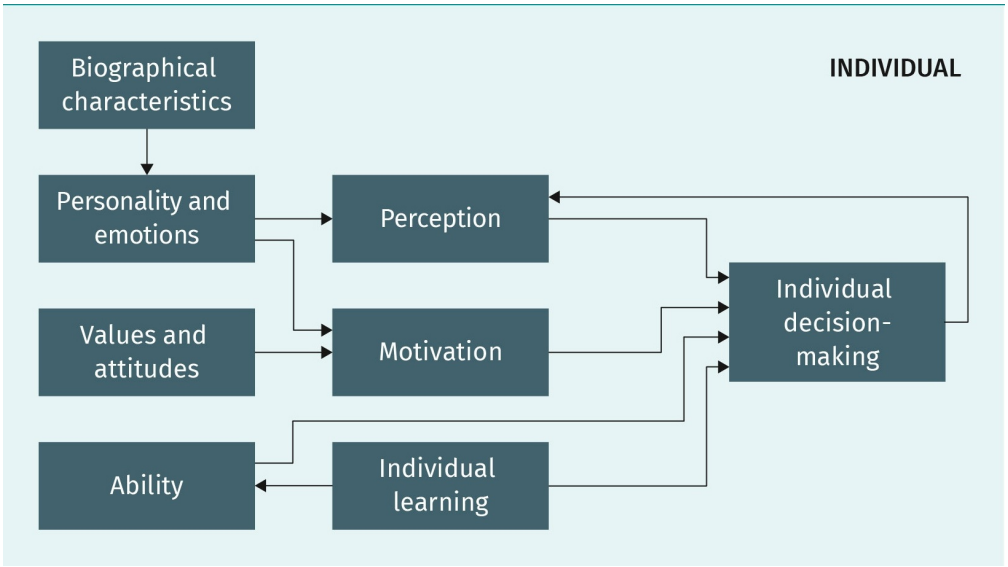
Introduction

If you want to be goal-oriented in your leadership and optimize your organization, you need to know what triggers particular behaviors within your organization. organizational behavior addresses this issue with the three determinants of perception, individual learning, and most importantly, motivation. These building blocks are influenced by biographical characteristics, personality, emotions, values, and attitudes, as well as skills.

The connection between skills and individual learning is a topic deeply enmeshed in human resource development and is based on pedagogical-didactic models in addition to the precise coordination between qualification measures and the acquisition of competencies.

The question remains of how the connection between biographical characteristics, personality, and emotions is explained and how these influence perception and motivation. The same applies to the concept of how values and attitudes influence motivation. Motivation and self-realization – in relation to Maslow – is central to the individual, which is why this unit will place special emphasis on it.

Figure 6: Individual Level from the Overall Model of Organizational Behavior



Source: Robbins (2001, p. 44). Used with permission.

2.1 Biographical Characteristics and Personality

Looking for a connection between biographical characteristics, the behavior of individuals, and the performance of employees is an engaging prospect, most likely because the **biographical data** of current employees and applicants is readily available and relatively easy to collect and analyze.

Biographical data
To explain and predict behavior, biographical data such as age, work experience, and education is used. However, there is little empirical evidence which shows clear correlations between biographical data and employee performance.

Therefore, it is no surprise that researchers repeatedly come up with approaches that empirically examine such correlations and seek to make normative deductions. Of the many proposed biographical characteristics, only one is to be singled out here as an example, age. Although there is little to no dispute that there is a connection between biographical characteristics, personality, emotions, performance, problem processing, perception, motivation, and other factors influencing the outcome, it is extremely rare to find empirical evidence, generally valid explanations, or even viable theoretical models to support such a connection.

Age

Against the backdrop of demographic change, the question of the relationship between age and its influence on performance and behavior in organizations is more pressing than ever. The aging workforce is a fact: The average age of the workforce is continuously increasing, with work divided into several phases over a lifetime. This, and the reality of increasingly limited markets for young employees, means that there is a need for a different view of older employees in the company.

The question of the performance of older employees is first and foremost an occupational health issue. There is no doubt about the biologically induced signs of decline; cognitive abilities decline, as does physical resilience. At second glance, however, it represents a challenge to management to match performance requirements and capabilities in an age-appropriate way. Currently, many studies are examining the generally assumed connection between age and performance, but one interim conclusion is clear: the connection in terms of a deficit model is less evident than generally assumed. Particularly in occupational fields in which there is a low physical workload, older employees can remain capable of performing significantly longer than assumed. The second interim conclusion is that the deficit model does not go far enough. It is not a question of eliminating, alleviating, or replacing the presumed deficits of older employees, but rather of the qualitative question of the positive contribution of experience, knowledge, judgement, and quality awareness.

The latter aspects also point to how the correlation between attitude to life, personality, and motivation can plausibly be predicted: Commitment, ethics, and sense of responsibility should clearly correlate positively with age and length of service. Valid and generally applicable studies on this topic are not yet available or are only rudimentary in scope. (For all other aspects, see the evaluation by Robbins, 2001, for the predominantly Anglo-American area and the Sachverständigenrat, 2011).

In the case of the age factor, it is evident how difficult it is to measure concrete effects, and this becomes even more vague in the case of gender, marital status, length of service, and similar biographical characteristics. There are some empirical studies on this, but there is no conclusive evidence.

Personality

In the basic model of organizational behavior, personality and emotions are considered important factors influencing motivation.

Personality has been examined from various perspectives in the scientific context. It can, for example, be determined psychoanalytically (Jung, 2011) or be the subject of personality tests in the context of performance appraisal or personnel selection. Zimbardo refers to personality as “the unique psychological characteristics of an individual that influence a variety of [...] consistent patterns of behavior in different situations and at different times” (Gerrig & Zimbardo, 2008, translated by author).

Traits
Relatively stable characteristics of an individual are called "traits.” They enable the characterization of a person’s personality, for example, by determining their trait profile through the Big Five personality test.

Personality is often attempted to be described with **traits**, but overall, even with this subject matter, the need remains to describe personality in somewhat vague terms as the sum total of an individual’s ways of reacting and interacting (Robbins, 2001, translated by author), which in our context is then done within the organization of the company.

Trait research proposes models which allow at least a rough individual profiling on the basis of personality. A well-known model is the Five Factor Model (also known as the Big Five), which uses a bipolar response scale to assess the five factors extraversion, agreeableness, conscientiousness, neuroticism, and openness to experience (Gade, 2003; Gerrig & Zimbardo, 2008).

Table 2: The Five Factor Model

Factor	Bipolar definition
Extraversion	Talkative, energetic, and assertive versus quiet, reserved, and shy
Tolerability	Compassionate, friendly versus cold, argumentative, and ruthless
Conscientiousness	Organized, responsible, and cautious versus carefree, reckless, and irresponsible
Neuroticism	Stable, calm, and content versus anxious, unstable, and moody
Openness to experiences	Creative, intellectual, versus simple, superficial, and unintelligent

Source: Gerrig & Zimbardo (2008, p. 537). Used with permission.

The relationship between the Big Five and work behavior has been empirically investigated (Gade, 2003; Robbins, 2001). Although the results show partial correlations, thereby making predictions possible, this is not enough for a generally valid theory or one that can

be applied to individual cases. The fundamental problem of describing personality on the basis of individual characteristics remains open as well: The aim is only to describe a condition, but not to explain its causes and development.

Robbins (2001) has identified personality attributes which, according to him, can be used to reliably predict behavior in organizations (a selection).

Locus of control

People who believe they are essentially in control of their own lives are termed “internally oriented,” while those who see themselves as more dependent on external influences and other people are termed “externally oriented.” Robbins cites studies which show that externally oriented people have lower job satisfaction and higher absenteeism and are less committed to their jobs than internally oriented people. Consequently, it is necessary to take this mindset into account when managing staff. If internally oriented people are good at research and development, sales, or other activities with frustration potential, externally oriented employees are more easily satisfied with routine activities.

Machiavellianism and risk propensity

As the name of this attribute suggests, it borrows from the theories of power based on the Renaissance author Nicola Machiavelli. In management literature, his name is often used to characterize the individual pursuit of power through a focus on pragmatism, emotional detachment, and an unconditional will to succeed. Everything else is subordinated to the end that justifies the means. Indeed, if success is measured solely in terms of achieving goals, research shows a correlation with this personality attribute. People with a Machiavellian attitude are more persuasive, manipulate more, and are themselves less susceptible to external influences. Further research into ethics, compliance, or social aspects in connection with career patterns of Machiavellian managers remains open and exciting. The propensity to take risks carries with it a similar effect. However, in comparison to the purely Machiavellian type, objective decision-making may diminish. Thus, the decisions of managers with a high willingness to take risks always carry the danger of a decision that is made too quickly and does not take sufficient account of all the facts. This question is the subject of the intensively discussed new approaches to decision-making theories.

Self-esteem and self-monitoring

Self-esteem is the quality of affirming oneself and assigning value to one's own person and actions. The opposite would be the disregard of one’s own person and actions. There is empirical evidence of the connection between self-esteem and job satisfaction. Self-monitoring describes the ability to independently adapt to external situational factors. People with low self-esteem are more vulnerable to the influences of other people. They are more dependent on other’s feedback and easily adopt other people’s points of view and opinions.

Self-efficacy

Bandura's concept, also called self-efficacy, is defined as a person's self-perception of how well they think they can deal with new situations (=coping). This concept describes the individual's subjective feeling that their abilities are actually sufficient to be effective. Originally from developmental psychology, the concept is attributed to four influencing factors: coping experience, role models, social support, and attentiveness to physiological reactions to stress and increased demands (Bandura, 1997). In contrast to the otherwise thematically very strongly related concept of self-esteem, which is quite fundamentally present, self-efficacy is to be understood more situationally.

2.2 Emotions

Emotions are among the most intensively studied psychological research subjects. For the purposes of organizational behavior, only a brief overview will be given here. Unfortunately, what we so often experience when terms are defined by which everyone understands something concrete, but rarely something in common, also applies to the concept of emotion. The range of definitions is vast, difficult to categorize, and – since it is usually the subject of a complete theory of emotions – often irreconcilable with other definitions (a good overview is provided by Brandstätter & Otto, 2009 and the introductory article in the anthology).

Undoubtedly, an emotion is a subjective response pattern to an external stimulus. The experience of an emotion can trigger a physical effect. An emotion is dependent on both external stimuli and the nature and extent of cognition. Modern imaging techniques can even assign emotions a location in the brain. If they are considered merely as neurophysical reactions, they are simply a biological phenomenon. Some scientists emphasize social influences and see emotions only in the context of what people are allowed to do by the community in certain cultural and historical situations.

Emotions are to be distinguished from moods because the former are directed towards objects or people and moods are not caused by an external impulse. Marshall B. Rosenberg (2015) defines emotions as an expression of needs.

The question of which emotions can be distinguished at all becomes difficult. Paul Ekman (2011), who became famous for his research on universal facial expressions, distinguishes joy, anger, disgust, fear, contempt, sadness, and surprise as basic forms whose expression no human being can avoid mimicking. Psychologists also include love, hate, and trust among the basic emotions. However, this is just the beginning of the discussion because these categories are not undisputed.

To talk about emotions in the context of behavior in organizations and about leadership without referring to Daniel Goleman would be remiss: His concept of **emotional intelligence** questions the benefit of a high intelligence quotient if intelligence in dealing with one's own and others' emotions is not present at the same time (Goleman, 1997). His concept includes self-perception, self-regulation, empathy, social skills, and motivation. The

basic model was expanded to include social intelligence and, above all, emotional leadership. Goleman developed his theses further in all consistency, and even postulates that it is the most important task of leaders to awaken positive feelings in the people they lead. Leaders should therefore have a reservoir of positive feelings that brings out the best in people (Goleman et al., 2003). This final insight makes clear why Goleman has received such resonance in theory but continues to be viewed skeptically in everyday management.

Emotional intelligence
Next to cognitive abilities, especially in human resources management, it is crucial to understand and influence the emotions of others. The concept of emotional intelligence encompasses such abilities as empathy and motivation and is particularly relevant for leadership.

Emotions are disturbing factors for some management theorists. Many models still rely on the invariably rational *homo economicus*. Since people cannot be emotionless (without the presence of a serious and rare disorder, namely alexithymia), models were considered that sought to design workplaces and work processes in such a way as to minimize emotions.

As was to be expected, these models did not meet with much success. Researchers turned instead to the question of how emotions arise, how they can be recognized, how they affect performance and willingness to perform, and what options exist for handling negative consequences such as interpersonal and intrapersonal or intraorganizational conflicts.

Emotion Work

Emotions that are shown during the work process and those that remain hidden take on a special significance in the context of organizational behavior. Whenever an organization requires its employees to deal openly or covertly with their own or other people's emotions beyond physical work, which is constantly the case in fields such as the service industry, we speak of "emotion work" (Zapf et al., 2000). A dilemma arises for the employees if the required emotion does not correspond to the actual one (i.e., if the flight attendant is supposed to be friendlier and more relaxed than they feel like being, or if the manager has to be more optimistic with their employees than their emotions actually are due to their knowledge of a difficult business situation of the company). This has extensive consequences for job requirement descriptions, as well as for the examination of a potential job holder's ability to withstand these dilemmas. Undoubtedly, this should also apply to managers, because regardless of the respective underlying management concept, both the handling of one's own dilemmas between open and hidden feelings and the uncovering and consideration of others (e.g., customers or employees) are necessary.

2.3 Values and Attitudes

Individual values and attitudes are the subject of numerous sciences. Depending on the cognitive interest, psychological, sociological, cultural-scientific, anthropological, behavioral-scientific, or economic dimensions are considered. For our purposes, we must use definitions that make the significance of values and attitudes as framework conditions and influencing factors of human behavior in the company tangible.

An individual's values undoubtedly describe their beliefs about what is right and wrong, or good and evil. Generally speaking, values include ideas about what is considered positive. Values are acquired through cultural influences, are subject to change, and can be influenced, but show a relatively high degree of stability.

Values are the product of lifelong development. They are imparted and shaped through socialization and thus reflect the influences of the family home, the environment, social stratification, and belonging to different generations. Belonging to a specific cultural group also has a formative effect on values.

In the supra-individual view, values represent the desirable qualities perceived by a community. Values regulate the behavior of an individual within the group, whereby a contradiction of individual and social values can lead to internal value conflicts. Values, value infringements and value-driven behavior are therefore often charged with emotions. In this context, values also have the potential to influence a person's perception and cause them to select data, information, and facts in such a way that they fit their values, or to exclude those that contradict their values.

Overall, values are regarded as decisive regulatory and control variables for individual perception, motives, and behavior. Although they are primarily a desirable target state, they also have a motivational character. An employee's work values encompass their fundamental beliefs about work-related issues. They reflect what the employee wants to achieve with their work, how they judge it ethically, and whether and how they want to influence it.

For current corporate leadership and management practice, taking these relationships into account means, more than ever before, considering the values of employees. With the current discussion about the general change in values and the corporate efforts towards compliance, the general attitude towards adherence to norms and rules, can be understood in this context. Norms are external requirements primarily laws and other sovereignly defined regulations, whose implementation in organizational action and individual behavior of employees are a subject of current preoccupation by theory and practice.

Knowledge about the emergence, recognition, and handling of value conflicts between individuals and organizations is an indispensable competency for managers and decision-makers in companies. Value conflicts (ethical conflicts) cannot be avoided, but their constructive handling represents a success factor and, if it is possible to handle them better than the competition, even a potential competitive advantage. The willingness of employees to leave the company due to value conflicts is increasing due to the general change in social values, especially among young, highly qualified prospects.

The working man 2030, as described by futurologist Horst W. Opaschowski, is characterized by the fact that the desire for self-fulfillment through work will continue to grow in importance as a basic motive in the near future. In concrete terms, empirical studies show that enjoyment of work, independence, and ambition are pushing traditional work motives, such as diligence, a sense of duty, and striving for achievement, to the back of the

rankings (Opaschowski, 2009). This will not lead to a fundamental rejection of working life, but a different meaning and purpose will be attributed to it. Specifically, a new division of labor will take place in the following ways (Opaschowski, 2009):

- work for pleasure: Personal responsibility, individual activity and self-esteem, feelings of personal well-being, and the well-being of the company correspond to the change in the value of work as a source of meaning. Successful leadership will be measured by whether job satisfaction is supported with these categories.
- work for money: Income will continue to be an important prerequisite for job satisfaction and performance, and the level of income will continue to be a reflection of one's own self-worth within the organization.
- purposeful work: Employees want to feel a high level of commitment, even pride in the company and their own work. Future performance motivation will have to take this into account and not neglect the ethical aspect.
- working time: Forms of work, the working environment, and the organization of working time will become much more flexible and will have to respond more to the needs of employees to organize their working and living time individually.
- working for status: The unity of career and leadership will become less important and will only play a role in the areas of highly expansive bureaucracies and administrations. Performance and satisfaction will be more strongly controlled by the other influencing factors already mentioned.

For future-oriented management, fields of action are already emerging today in order to set the course for the future of the working world described by this shift in values. Under the heading of work-life balance, numerous approaches have been developed to meet the requirements in general (Holzer, 2013), by concentrating on individual fields, or critically (Vašek, 2013).

Attitudes

Attitudes are basic behavioral patterns that, unlike values, manifest themselves in concrete expressions. They can be defined as psychological tendencies that express themselves through a positive or negative evaluation process towards a certain person, thing, or situation (Eagly & Chaiken, 1993). A distinction is made between various components:

- rhe psychological tendency (affect): The inner state of a person which can vary and be of different durations. It will, therefore, change in the course of life and be subject to external influences.
- the evaluation process (cognition): Here, the values of the individual described above come into play. They control the evaluation process in that they represent reflective and conscious attitudes on a cognitive level, are attitudes which are positively or negatively affected with feelings to varying degrees on an affective level, or are recognizably behavioral attitudes with corresponding actions (Thomas, 2003).
- behavior: These are oservable actions or verbal expressions towards people or objects.

Attitudes are interesting for organizational behavior because people’s attitudes do not necessarily correspond to their behavior. Rather, it is the situations in which this is not the case that are interesting. For example, if a smoker has a fundamentally negative attitude

towards smoking but does not stop, or an employee has a fundamentally positive attitude towards a sense of duty but nevertheless has a lot of absenteeism that is not due to illness, this is not the case.

To explain this deviation, Ajzen developed the theory of planned behavior (Ajzen, 2005; Fishbein & Ajzen, 2009). According to this theory, the actual behavior is explained by the behavioral intention. The stronger the intention, the more likely it is that the behavior can be predicted. The explanation of the behavioral objective takes place through three behavioral intentions:

1. The person's subjective attitude towards their own behavior
2. The social norm towards the planned behavior
3. The subjectively perceived behavioral control

The concept of behavioral control refers to the strength of one's belief that they possess the necessary knowledge, skills, and ability to act in order to be able to carry out a certain planned behavior.

Emergence of Attitudes

Science has also dealt with the question of how attitudes are formed. In addition to the question of whether there is also an inherited component, research has focused primarily on the ability to learn attitudes. Since attitudes are dependent on social influences, three types of attitude formation are distinguished (Rosenberg et al., 1980):

1. Cognitive processes that establish attitudes through conscious reflection
2. Emotion-dependent (affective) processes of classical and operant conditioning that create attitudes through associations: Classical conditioning occurs when a positive or negative stimulus is coupled with an object. If this association is sufficiently valid, an attitude can be created. The best-known example is Pavlov's experimental set-up, which always coupled the signal of a bell as a stimulus to the object of giving food to a dog. Ultimately, salivation could be detected in the dog when the bell sounded even if the food was not given. Operant learning processes are triggered when desired behavior is rewarded and undesired behavior is punished. Social rewards also play a role, for example, when tobacco is taken up despite an initial aversion to it, if the positive experience of the satisfaction of the need to belong to the group is sufficiently strongly tied to smoking.
3. Behavioral processes that derive attitudes from one's own behavior: If individuals initially have no or only a weak attitude towards an attitude object, a behavior towards a similar object or a different situation is tested to see whether negative or positive feelings were evoked by the behavior there. These are then transferred to the behavioral object to be assessed. Related to this train of thought is the self-perception theory, according to which people can infer their underlying attitudes based on the observation and analysis of their behavior. The attitude is then constructed by the person retrospectively on the basis of their own behavior after the actual behavior has already taken place (Bem, 1972).

These theoretical constructs are essential for managers, as they provide clues on how to understand, analyze, and control the behavior of employees within the company. But these approaches are also the basis for strategies in other areas, such as advertising psychology.

Cognitive Dissonance Theory

Leon Festinger (2012) provides a further explanation of the connection between attitudes and behavior. With his social-psychological theory of cognitive dissonance, he addresses the question of how attitudes can change. It is based on the dissonance thesis of psychology, according to which people always feel uneasy when they receive contradictory cognitions (e.g., from sensory impressions, thoughts, and attitudes). They will then always try to eliminate this dissonance (i.e., establish consistency). This can lead to behavior being adapted to attitudes, but that this can also happen conversely: The person adapts their attitudes to their behavior in order to eliminate the dissonance. If they permanently adapt their attitudes to their behavior, however, they are not a rational being (which would always strive for a permanent balance of behavior and attitude), but a **rationalizing** one, which is why this theory is also called attitude change through dissonance reduction. The knowledge of these dissonance reductions represents important access for managers to the behavior of their employees: Dissonance can reinforce or reduce appropriate leadership methods, but it can also reduce the incentive to reduce dissonance. If, for example, an employee can attribute the dissonance to an instruction from a hierarchical superior, they will feel less need for dissonance reduction than if it is due to their own behavior. The immediate consequence, however, is a lower commitment to the superior and their instructions. If dissonance remains after the adjustment of one's own attitude as a means of establishing consistency, it will lead all the more to discomfort and rebellion.

Rationalizing
Humans generally try to eliminate cognitive dissonances. The adaption of one's attitude to their behavior in order to avoid such dissonances is called rationalizing. Being aware of such effects is important for leaders as they help to explain employees' behavior and provide starting points for incentivizing them.

Research into the concrete causal mechanisms between values, attitudes, and behavior has not been completed, but is at present essentially a refinement of the approaches presented here.

SUMMARY

Individuals may wish to establish whether there may be a connection between biological characteristics and employee performance. This can be achieved by examining both the behavior and performance of employees within the company. In addition, individuals' personality traits are another aspect which can be used as a tool for explaining employee performance and behavior.

People's ability to perceive behavior, as well as their potential to directly control the actions of others, can be influenced by their moods and emotions. These moods and emotions can be influenced, directly or indirectly, by the actions of management.

One area that managers should pay particular attention to is that of employees' values and attitudes. Managers who ensure that they are aware of dilemmas that are being creating for employees can take appropriate action to remove these issues. All aspects of this can make use of the basic findings and models of both psychology and social psychology.

UNIT 3

GROUP AND TEAM

STUDY GOALS

On completion of this unit, you will be able to …

- understand the meaning and terminology of group and team.
- classify different manifestations of groups.
- understand the variables that influence group performance.
- differentiate which phase models are used to describe group dynamics.
- know which functions, positions and roles individuals assume in groups.
- understand the positive and negative consequences of group processes.
- explain motivational, cognitive, and behavioral approaches to group behavior.

3. GROUP AND TEAM

Introduction

The following is a case study by Mayrhofer et al. (2002). Georg Quantum, the founder, managing director and majority owner of Quantum LLC has been running his company for 40 years. He does this with a strong hand, no decision is made without him. Thus, he alone also decides on all conflicts between the company's two divisions, the pharmaceutical and the biotechnology, always insisting that all important matters concerning both go through his desk and that the final decision lies with him.

Practically overnight, Quantum sold its company to the pharmaceutical company Klinebax Inc. This decision has now made Quantum LLC a wholly owned subsidiary of a multinational, which now wants to replace the "old man" Georg Quantum. Klinebax does not want to appoint a new managing director without seeking the opinion of Quantum LLC in this regard. Therefore, the Executive Vice President responsible for Mergers & Acquisitions, Bill Protein, is sent to Quantum to talk to the managers, to get a better picture of the internal situation at Quantum and thus to prepare the upcoming decision: Should the new managing director come from Quantum LLC or should this job be filled externally, for example with a Klinebax manager?

Bill Protein spends a week at Quantum, then returns to the parent company. Quantum's top management, from both the pharmaceutical and biotechnology sectors, receives an email with the following content two weeks later:

> We expect you to develop a profile of requirements for the job of Quantum Managing Director in both of your business areas within two weeks. In your divisional meetings, please prepare a short report containing five criteria that you believe should be decisive in the selection of a managing director. Rank these criteria according to their importance for Quantum LLC. In a joint meeting, the two departments should then negotiate which requirement profile should actually apply. The department whose profile proves superior will be given responsibility for the remainder of the recruitment process. We assume that this department will then search its ranks for a suitable candidate. If no decision is made on the job profile, Klinebax will take over this task and any further recruitment.

A management meeting is then hastily convened in the biotech division. The importance of their own division for Quantum LLC is emphasized. Surprisingly unanimous is also the skepticism with which the suitability of the pharmaceutical department to appoint a managing director from its ranks is judged: The pharma people are classified as traditional, too cautious, bureaucratic, and slow. Strengthened by this assessment, Walter Rubel, head of the biotech division, sends an email to Bill Protein to point out that the biotech division has been showing double-digit growth rates for three years and will probably overtake the pharma division in terms of turnover within the next two years. He therefore sees it as an indispensable and most important criterion that the new CEO feels at home in this product and technology area, which will be the future for Quantum.

Christine Messling, who has been in charge of the pharmaceutical division for two years, learns about Rubel's move by chance through a former employee who now works at Biotech. She already wanted to get in touch with Rubel to agree on a joint approach. Now she is blown away: How could Rubel, whom she personally has always experienced as a fair and cooperative partner, go behind her back like this? She always believed that the climate between the two departments was characterized by mutual respect. Does she now have to revise her image? Messling also calls a management meeting.

Georg Quantum, the founder and former managing director of Quantum LLC, only observes the goings-on in his former company from afar. At the lunch table, he asks his wife:

> Now I have known the two department heads for several years, there have never been any arguments, both are affable and intelligent people. We have played golf together several times. Why do they have to disagree now? What a relief that I'm no longer CEO. I don't understand this at all.

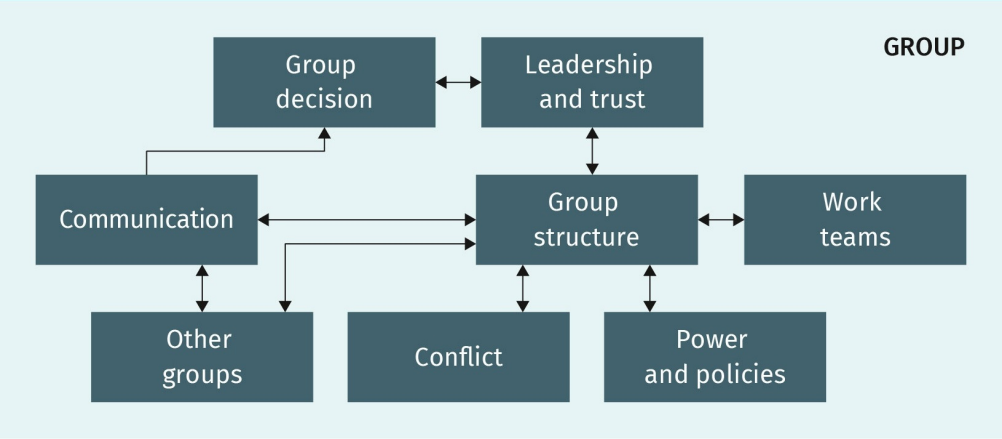
If we want to understand it better, we need to extract a few basic problems from this case study.

A group is a collection of two or more people. Organizations are made up of a collection of groups, whether they are temporary or permanent, officially established, or arise by chance. The biotech and pharmaceutical groups behave differently. Groups have their own laws. In addition to external influences such as competition, which in the case study is called out by the parent company, the central factor influencing group events and group success is the group structure.

However, it is not possible to obtain scientifically tenable results regarding the question of the behavior of individuals in groups and the behavior of groups by simply adding up the results on the behavior of individuals depending on the size of the group. People show different behavior in groups than when they act individually. This is the only way to explain the behavior of Rubel, who has shown different behavior to his colleagues and his ex-boss in other situations.

An aphorism says that the whole is always more than the sum of its parts. In order to understand groups and to be able to successfully deploy and lead work teams, we must therefore go in search of this “more.”

Figure 7: The "Group" Level in the Basic Model of Organizational Behavior



Source: Robbins (2001, p. 44). Used with permission.

The findings of the research field of organizational behavior are helpful for this. But however useful, this must be taken with a grain of salt, because of the lack of a comprehensive explanation or a model that is accepted by all as a starting point. Nevertheless, there are persuasive insights into how groups can be described, how group processes can be analyzed, what explanations there are for group behavior, how it can be influenced, and what this ultimately tells us for the deployment and management of teams.

3.1 Groups and Teams

Definitions

By a group we mean two or more, but in total a limited number of people who

- interact with each other over a given period of time
- are psychologically aware of each other and perceive each other, and
- are interdependent in behavior and work performance (Wienert, 1998).

Some authors consider the distinction between group and team to be blurred and not very meaningful, but for our purposes we want to follow the definition of Wunderer (2003), who defines teams in terms of their different purposes and objectives with different durations and an active and planned team commitment. In this sense, a team is then a group of employees who are responsible for an entire and closed work process, a project, or a work result and who deliver the result of their work as a product or service to an internal or external recipient (Wunderer, 2003).

Another distinction emphasizes the task orientation, goal orientation, sense of belonging, and functional interdependencies of the team compared to the group.

Table 3: Differences Between Groups and Teams

Central similarities	More than two people Direct interaction over a longer time period Specific norms (structure) and values Specific role structure
Central differences	Task orientation Goal orientation Sense of belonging Functional interdependencies

Source: Beisheim & Frech (1999, p. 288). Used with permission.

Classifications of Groups

To describe the term "group," it is helpful to approach it through its manifestations in the context of workplace activities.

The classifications of groups in organizations initially focus on the difference between formal and informal groups. **Formal groups** are formed to fulfill a specific purpose. They are given tasks and objectives by the management of the organization. In accordance with what has been delineated above, formal groups can therefore also be regarded as work teams. Other terms that appear in this context are quality circles, committees, or task forces. Formal groups usually have group leaders who may have superior hierarchical roles. In our introductory case study, such formal groups can be seen in the appearance of the management meetings of the two divisions. Another formal group is created by the parent company's instruction to jointly find a solution for the managing director job description.

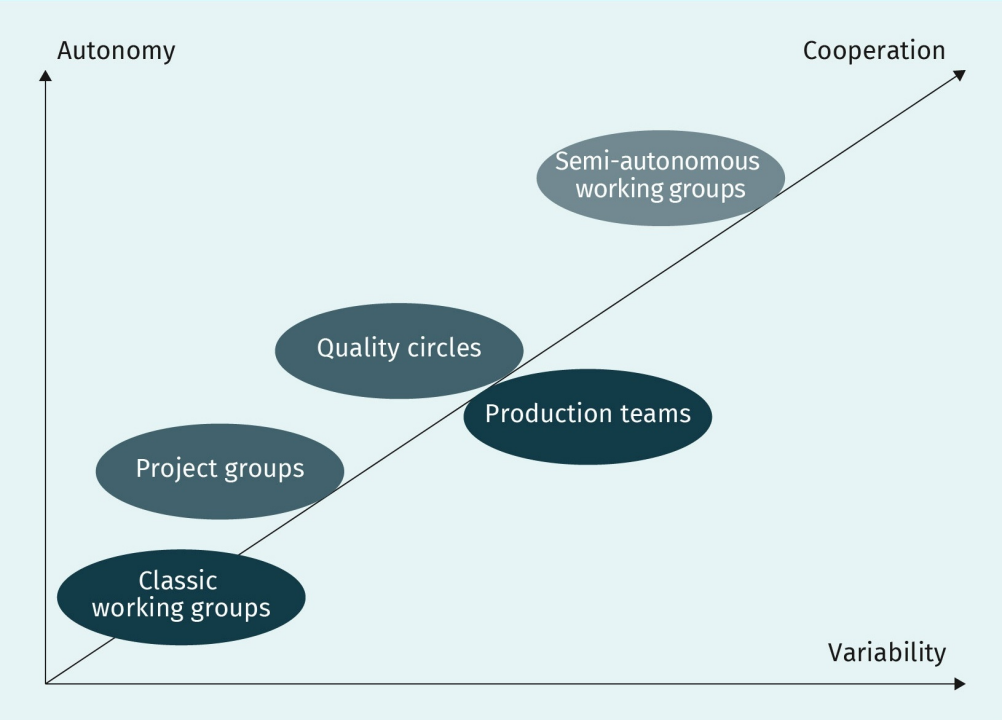
Formal groups
A work team that is intentionally formed to fulfill specific tasks and create a defined outcome is called formal group. It often has a group leader who is assigned a superior hierarchical role.

Informal groups are neither planned nor actively initiated by the organization. Informal groups arise by chance, depending on the situation and interests. They are difficult or impossible to (directly) control, but also impossible to prevent. Unlike working groups, their composition cannot be (directly) controlled; they can mix horizontally and vertically. Reasons for the emergence of informal groups are the social needs of the employees and common interests, which can also lie outside of working life. Informal groups therefore require special attention from the management, since there is informal, personal communication taking place and the dynamics within the informal group and its development of goals are largely unrecognized by outsiders, but nevertheless may be endowed with great power and emotional commitment.

Further categorizations distinguish temporary and permanent groups, according to the duration of the groups, and open and closed groups, according to the possibility of entering and leaving the groups (Berthel & Becker, 2013).

Research also categorizes groups according to criteria such as autonomy and variability. For example, Antoni distinguishes between classic work groups, project groups, quality circles, production teams, and semi-autonomous work groups according to these two criteria as an orientation along a balanced cooperation line (Berthel & Becker, 2013).

Figure 8: Basic Group Types in Organizations

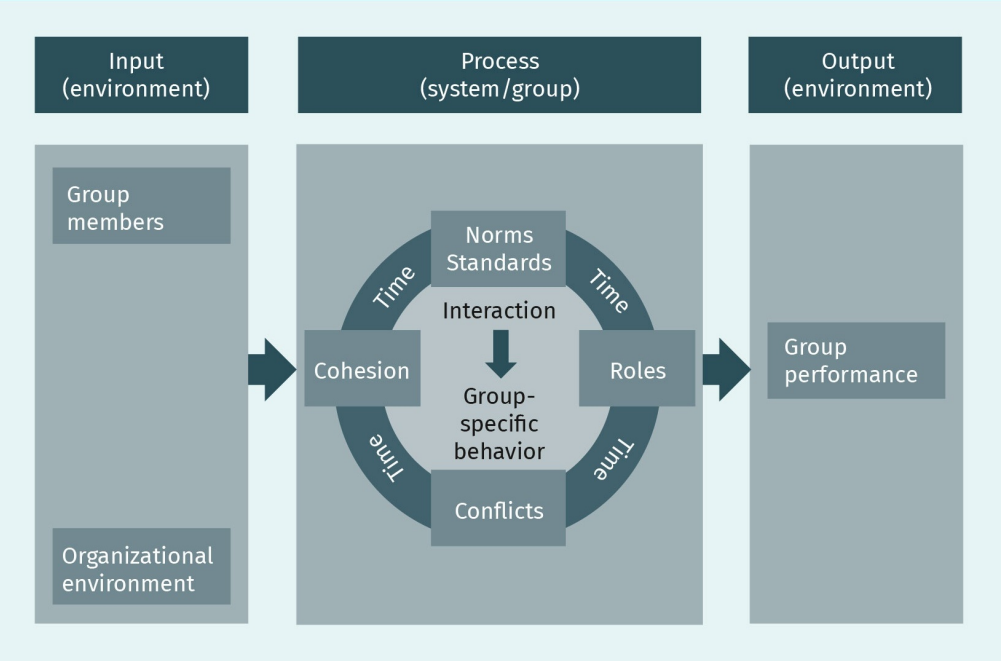


Source: Berthel & Becker (2013, p. 122). Used with permission.

Determining Features of Groups

As stated in the introduction, it is important to design the structure of the group. Not all groups are equally successful, which is explained by composition, size, communication, role differentiation, conformity, and cohesion.

Figure 9: Central Influence Variables in Group Work

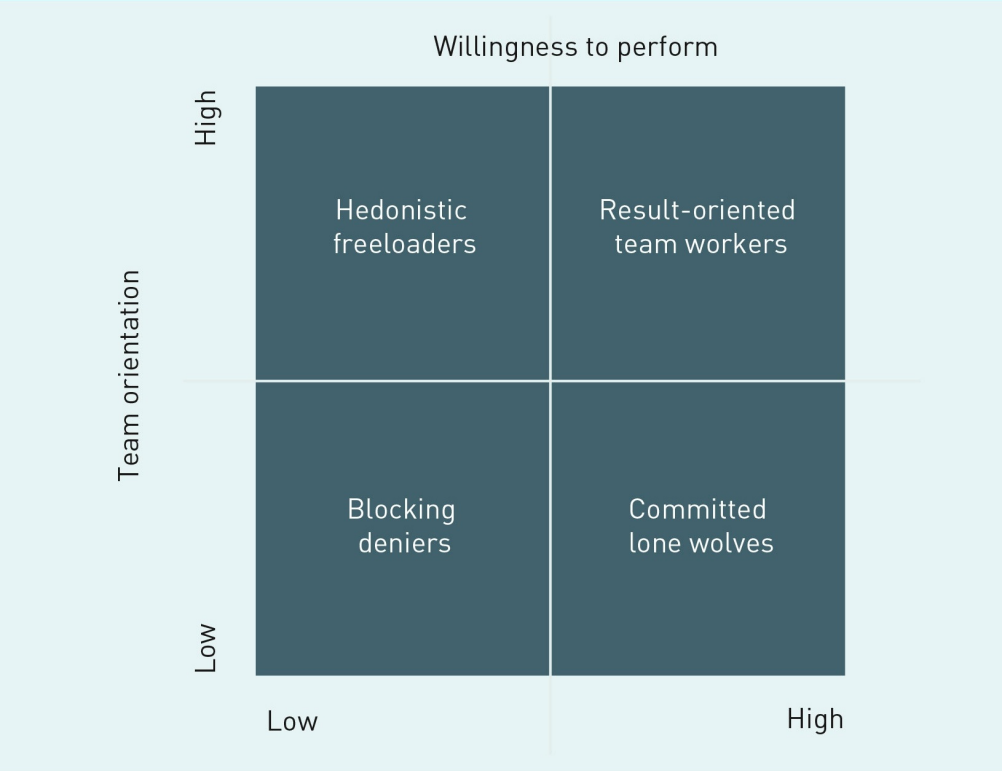


Source: Berthel & Becker (2013, p. 129). Used with permission.

Group composition

The composition of a group can be made with biographical criteria or more generally described according to the extent of diversity, or rather inequality compared to homogeneity as a conceptual counterpart. As beneficial as the influences of heterogeneous group compositions can be, higher turnover rates, lower group cohesion and reduced communication frequency have also been observed as consequences of heterogeneity. The empirical investigation of the relationship between diversity and group performance is methodologically unresolved so far; It is not clear what and how exactly to measure and there are considerable doubts about transferability and the generalization of individual results (Wegge, 2001). Another aspect of group composition is the team and performance orientation of its individual members. Whether there is selfish or altruistic behavior or whether there is a team-first mentality must be analyzed by the responsible managers in each individual case. A comparison of team and performance orientation can result in the following typology.

Figure 10: Typology of Team Members



Source: Stephan Frigger (2014).

Group size

The question of optimal group size is often answered with the rule of thumb: "as large as necessary and as small as possible." What initially looks like a financial consideration has another side to it: with the number of group members, the number of interactions increases exponentially. This is bound to result in friction losses and communication errors. Error-free communication remains a tempting goal, but one that can likely never be achieved. In addition, large groups increase the risk of moral hazard (freeloading), conflicts, and misbehavior, and performance tends to decline due to the increased need for coordination. That being said, having more group members brings more experience, knowledge, and problem-solving skills to the group. In fact, besides these plausibility-based generalities, there is a number offered by organizational psychology: five is said to be the optimal group size, based on empirical research (von Rosenstiel, 2004).

Direct interaction

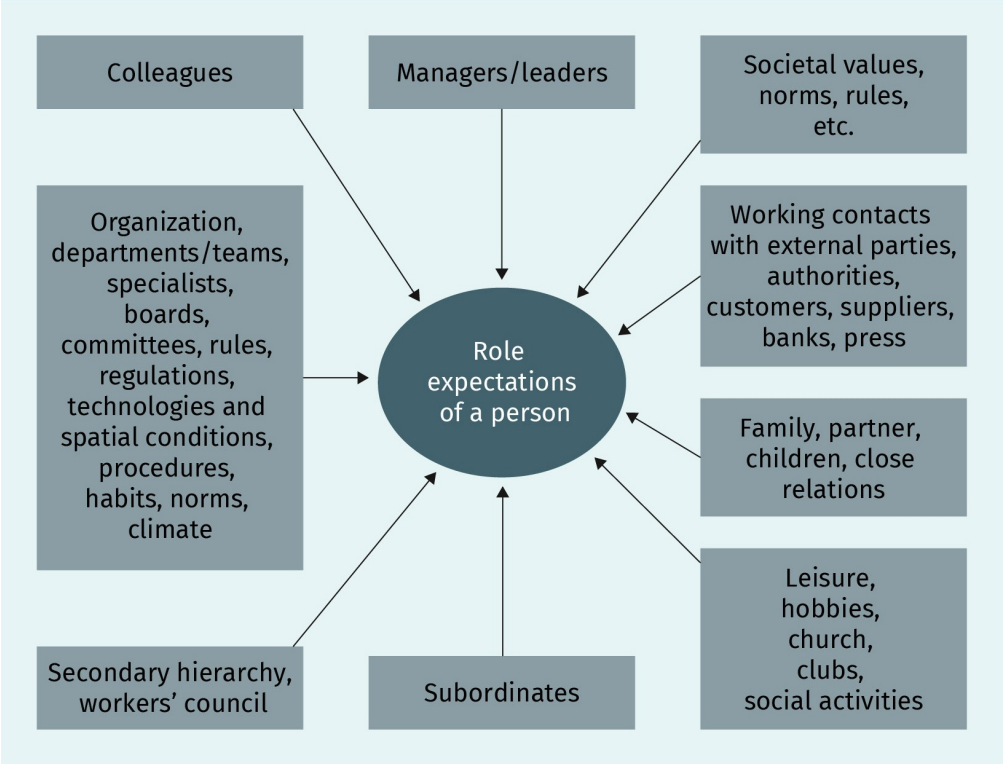
The potential for direct communication between the individual group members is one of the essential criteria for the design of working groups. It is important to consider the specific communication needs that arise from the composition of the group or its goal. If the problem-solving competence of a single group member is sufficient to achieve the goal, there is less need for direct interaction than if all members have to contribute to the solu-

tion. It is impossible to separate communication and interaction from the fundamental findings of communication science. In particular, the concept that all information has a factual and a relational level should be internalized by all participants in professional communication situations and guide (communication) behavior accordingly (Schulz von Thun, 2010).

Role differentiation

Roles are relatively consistent bundles of expectations directed at positions and their owners (from the outside or by the owners themselves), but usually in need of and subject to interpretation (Fischer & Wiswede, 2009). Each position within a group is assigned a role. Each person is always subject to role expectations and has them towards themselves and others. The role consists of the role behavior expected by other group members, the perception of the role by the role bearer, and the actual shaping of the role by the role bearer. If attitudes and behavior are consistent with the role, it is referred to as role identity. For leadership, it is important that all group members are aware of their role. Insecurity of one's role is referred to as ambiguity and almost inevitably leads to role conflict (Weinert, 1998).

Figure 11: Role Expectations



Source: Neuberger (2002, p. 320). Used with permission.

Conformity of shared norms and values

Regardless of whether an organization has published clear guidelines on norms and values to be observed, groups will develop their own ideas about unwritten norms, expectations, and standards of behavior. Similarly, regardless of the sanctions the organization provides for violations, each group will develop its own sanctions to respond to such behavior that may contradict the group rules. The crucial question for the proper functioning of the group and the achievement of a given outcome is whether these sanctions impede and constrain the work in an undesirable way. It has been shown that groups with a clear set of goals and an assessment based on their achievement result in better cooperation in the longer term, however, viewed negatively, they also result in less creativity and innovation in problem solving (von Rosenstiel, 2004).

Cohesion and locomotion

The degree of mutual positive feelings within a group is referred to as "cohesion." This is just as important for the success of group work as the joint movement towards a common goal, or "locomotion."

However, it is by no means the case that strong cohesion alone leads to a positive group result; excessive cohesion, as with insufficient cohesion, can lead to a negative performance contribution. In addition to the "we-feeling" of the group, which arises from cohesion, one of the influencing characteristics that play an important role in the establishment, management, and analysis of groups is dependency, namely the dependence of the individual on the group.

3.2 Group Processes

Group dynamics
Since groups are social entities, they are affected by certain processes which are generally the same for all groups. There are various models that explain group dynamics in different phases.

As a rule, groups invariably go through the same processes. Since they are dynamic, they are also referred to as **group dynamics**. A separate field of research has undertaken the task of observing these processes. There are even efforts to make the analysis and monitoring of group processes a profession in its own right through training and literature research.

The names of two authors are inseparably linked to the study of group dynamics: Kurt Lewin and Jacob Moreno. Both authors were already using this term in their work in the 1930s and are therefore considered the founders of this essentially sociological research discipline.

The process of the group is described in phases if it is to be presented in chronological order. At the same time, the roles in the group and their changes are integrated into the model. Furthermore, the formation, the sanctioning and modification of norms and rules, power aspects, and the behavior towards other groups are examined.

There are several phase models that all have one thing in common: they all describe the phenomenon that an initial euphoria is followed by fear, uncertainty, disillusionment, and rejection before a consolidation phase leads to the group reaching the zenith of its performance.

In Warren Bennis' (1972) model, these phases are defined as follows:

I. Dependency

1. Dependence (flight): The main motive of the group members is the uncertainty of the new situation, which triggers fear. Although experienced members want to take on leadership roles, they are sabotaged repeatedly by others. If there is a role defined by the organization as a leader, this group member is recognized as an authority figure.
2. Counterdependence (fight): At this stage, the main motive of fear is replaced by the pursuit of power. The power of the group leadership is questioned and there is much discussion about the structure and the guidelines, but little about problem solving. While some members try to establish order, others fundamentally resist.
3. Resolution (catharsis): During this phase, relationships are clarified and insights into problem solving are gained. The group agrees on a goal, and rules are established. The focus is on content and issues.

II. Interdependence

1. Enchantment (flight): The group flees again, this time into a sense of "we," harmony, and solidarity; the group story is idealized, there is intensive work by all on the common goal. There is still agreement about roles and tasks. Externally, the group defines itself. Flight is not recognized as such, interventions from outside are perceived as a threat and rejected.
2. Disenchantment (fight): The hidden conflicts between personal interests and group pressure come to light in this phase. There is a renewed questioning of goals and rules. Distrust grows between the group members, divisions into subgroups or irreconcilable factions may occur. Due to the power struggle, disruptions abound. The group's productivity and willingness to perform drop sharply.
3. Consensual validation: When a consensus is reached, the group becomes able to work again. Role conflicts are considered to have been dealt with and clarified. Norms and rules are used flexibly and constructively. Decisions are made and implemented together. A common group culture is formed. The internally strengthened group now also makes contact with other groups and is able to work together with them.

Now, the two groups of Quantum LLC do not have time to go through all these phases, whether led, unled, or unaware. Often, the problem and time pressure are too great to go through the phases described. This illustrates the importance of these phase models: It is about the theoretical representation of dynamics proceeding naturally, not primarily about deriving recommendations for directly implementable action.

A very similar representation to the phase model described above, which is extensively used because of its memorability, is that of Truckmann (Stahl, 2007). He distinguishes five phases:

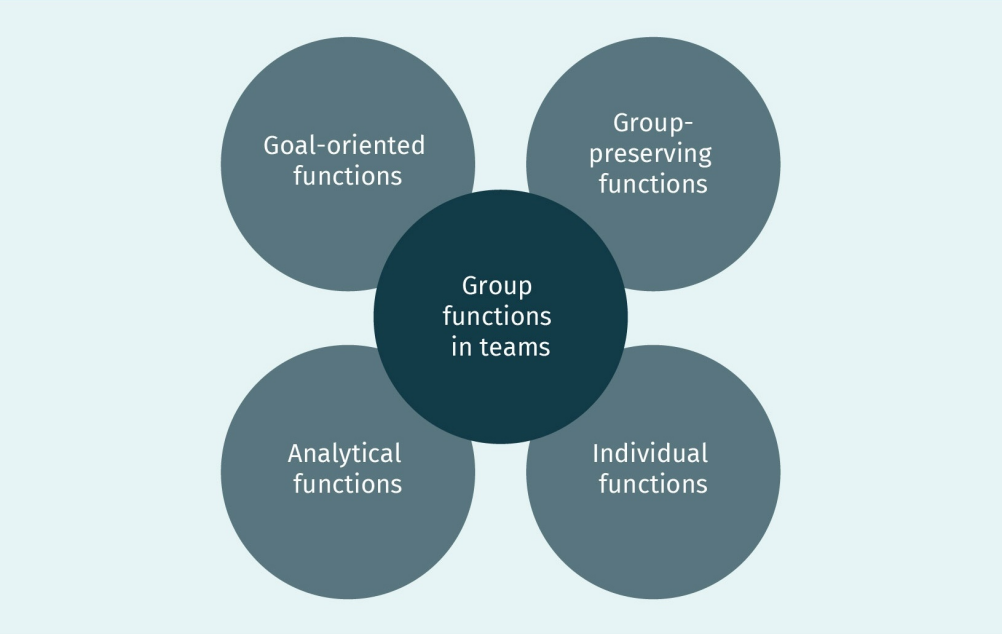
1. Forming
2. Storming
3. Norming
4. Performing
5. Re-forming (adjourning)

What is important in all phase models is that it is not a linear process, but that phases can be skipped in a cycle that is run through repeatedly, or that a group can regress to a phase that is already considered to have been run through.

Function, Position, and Role

Group dynamics theories make a precise distinction between the function a person has in the group, the position they take, and the role they play. Here, organizational behavior draws from sociology, which distinguishes between goal-oriented, group-maintaining, analytical, and individual functions.

Figure 12: Group Functions in Teams



Source: Stephan Frigger (2014).

Such a function is assigned to individuals consciously or unconsciously, as well as officially or unofficially by the group. The fulfilment of this function has an impact on the group. Goal-oriented functions are contributions to the achievement of the given goal. Group-preserving functions, in contrast to the practical level of goal-oriented functions, focus on the relationship level as a necessary condition for the group climate. Analytical functions serve to control the progress of work and include all activities connected with

the target-performance analysis of the progress and the analysis of the state of the group and its members. Individual or ego functions describe all activities and functions that do not serve the group but rather individual group members.

The position within a group is a reflection of the power that an individual has. Positions are taken and can also be relinquished. Positions only acquire their power-dynamic significance when all other members of the group accept the position. Not every possible position is occupied at all times. It is very important to note the hypothesis that groups with clearly formulated and challenging tasks to fulfil tend to fill the power-dynamic positions.

The recognized positions are identified by letters, as described by Tennis (1989):

- Alpha (α, leader of the pack). They lead the group towards the goal and guide the discussion with the opponent (G). Alpha is strongly outward-looking and limited in their actions only by whether the group follows them.
- "O" (opponent). The effect of the group is directed towards this construct. It is important that the group sees O through alpha – alpha defines the outward image.
- Beta (β, expert). The relationship of beta to alpha is ambivalent: Alpha needs beta to lead and beta needs alpha to be in power. Yet, beta has the most potential to overthrow alpha and take over the leadership themselves.
- Gamma (γ, follower). Identifies with alpha (more precisely: with their external view of O) and supports their course by contributing without claiming leadership of their own. Gammas do the actual work of the group.
- Omega (Ω, opposition to alpha). The omega offers resistance to the achievement of the goal. The central element is their external view of O, which is independent of alpha, and it is precisely this that draws resistance from the entire group: from gamma, because omega endangers identification with alpha, and from alpha, because omega endangers the leadership position. Omega is a constitutive (determining) position in the group and an important quality indicator for the group functions – through omega, group deficits (goal achievement, cohesion, etc.) are the first to express themselves. Often, however, omega is not seen as a quality indicator but as a disruptive factor, attacked and excluded. Not infrequently, after brief cathartic episodes, another group member slips into this position.

The positions described above are not to be confused with the roles previously dealt with.

Positive and Negative Consequences of Group Processes

Sociology and social psychology assign a number of positive and negative basic characteristics to groups, which are exacerbated by the group processes described (Fischer et al., 2013). Positive aspects are, among others,

- the relatively higher sense of self-esteem of the "pack member" within the group through the possibility to associate themselves with the achievements or special characteristics of other group members (basking in reflected glory).
- the incentive provided by the social comparison with other group members and the overall group performance.

- the improvement of individual performance through the presence of other group members (i.e., jogging is easier in a group and the subjective feeling of performance is increased). This phenomenon is known as social facilitation.

Negative aspects are or could be

- social loafing. Empirical evidence shows that individual performance deteriorates when individual performance is not assessed and the tasks are simple, but performance increases when the tasks are challenging. Conclusion: Groups need challenging tasks.
- hidden profiles. The tendency for individual group members to misuse information as an instrument of power and not share the information with others or even pursue their own interests. Unshared information leads to poorer discussion outcomes and overall group performance.
- group thought. This describes the situation in which group harmony outweighs the importance of anything else. The need for belonging or a sense of "we" overshadows the objective, resulting in the insufficient consideration of facts necessary for thoughtful decision-making.

3.3 Explanatory Approaches to Behavior in Groups

Models and theories for describing behavior in groups originate from different research perspectives and, according to Forsyth (2009), following the developmental history of organizational behavior, can generally be divided into motivational, behavioral, systemic, biological, and cognitive approaches (Berthel & Becker, 2013).

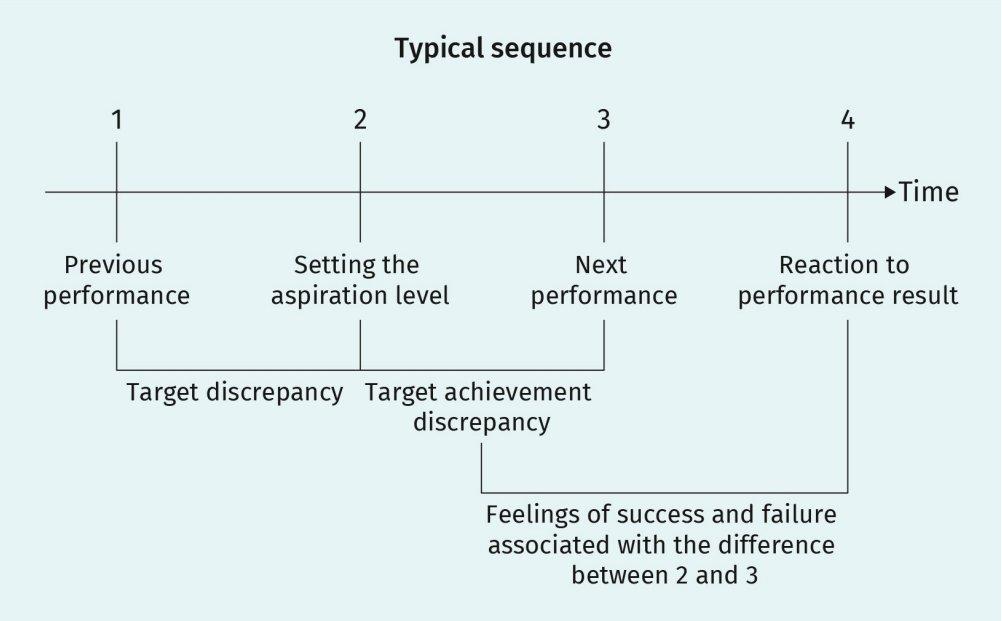
Motivational Approaches

In keeping with their name, these studies focus on the behavioral foundations of basic human behavior. This means that the focus is on questions about the motivations for actions. The central issues are human goals, emotions, instincts, expectations, or even drives, which also determine the behavior of group members among each other.

The level of aspiration theory developed by Lewin et al. (1944) explains how individuals or groups set goals in certain situations. According to this theory, people in performance situations have ideas about what ideal results of their work look like. The experience of similar situations in which this ideal state was achieved or not achieved leads to a change in expectations and goals and thus to a change in the level of aspiration. The level of aspiration can thus be seen as a compromise between the ideal goal and a realistic assessment and depends on the perceived difficulty of achieving the goal. Empirical research has shown that feelings of success and failure are primarily dependent on the difference between expected and demonstrated performance (goal performance discrepancy), more so than on the objectively achieved level of performance.

This approach becomes a group-specific theory because the level of performance considered desirable can be influenced by group goals and group performance.

Figure 13: Sequence of Results in a Performance Situation



Source: Weiner (1994, p. 135). Used with permission.

Behaviorist Approach

A theory stemming from the research discipline of behaviorism is the social exchange theory of Kelley and Thibaut (1978). From a behaviorist perspective, individuals are hedonistic reward-maximizers while simultaneously being cost-minimizers. Belonging to a group removes the possibility for the individual to control the outcome alone, since through the inevitable interactions of the group members, the behavior of each group member potentially influences the outcome and the actions of every other group member.

In any interaction, there are a limited number of possible courses of action for each group member. Each is associated with a certain value. According to the opportunity cost theory of microeconomics, the value of the alternative is the value of the lost reward. This value is entirely subjective, in that each individual assigns a different value to each alternative. How high the value of an alternative is to be assessed results from experience and what has been learned through previous similar situations. Under the particular influence of the recent past, a comparison level is formed from previous positively or negatively experienced stimuli, which represents an average value for the classification of current events. If an individual experiences an accumulation of positive stimuli in an identical or comparable situation, they will increase their level of expectation. The opposite is true if the individual experiences many negative stimuli. The level of comparison for alternatives ultimately determines whether it seems worthwhile to consider an alternative at all.

Cognitive Approach

The cognitive processes of each group member include the perception of other members, the retrieval of stored information about the group, its tasks, and the evaluation of the actions of other group members or groups in terms of their motives and triggers for action.

At its core, social identity theory assumes four crucial cognitive processes: social categorization, social identity, social comparison, and social distinctiveness. Categorization describes the grouping of objects into classes. In this process, differences between one's own group and a foreign group are perceived and assessed much more strongly and interpreted one-sidedly in favor of one's own group. An effect familiar to anyone who has witnessed passionate fans of a sports team talking about the supporters of rival teams. The fact that one's own group members appear more attractive is the constituent basis for career silos, clubs and other, "closed shops."

The empirical evidence of the social identity theory of intergroup behavior by Tajfel and Turner (1979) has been repeatedly confirmed. Even the smallest and objectively insignificant similarities with one's own group were sufficient to distance oneself from other groups (minimal group paradigm). The theory of social identity answers the question of why groups saw themselves as a unit at all if there were only minimal similarities. Tajfel and Turner (1979) assume that the identity of each person moves along a continuum between completely private and completely public, without ever occupying either one of the extreme positions. Identity is the knowledge of one's own personality, which is why this component of identity is also called the "personal identity." The person obtains this knowledge by comparing themselves with others, in that they can then classify themselves relative to the others.

Social identity
Members of a group define themselves by contrasting their own group's characteristics to those of other groups. Thus, social identity often goes along with a strong identification with the group.

The opposite is **social identity**. Here, the human being forms an idea of themself by comparing the characteristics of the group to which they belong with the characteristics of other groups. If the person is in the mode of intergroup comparison, they are in the "we-mode;" if they are in the mode of interpersonal comparison, they are in the "I-mode." At the same time, the "we-mode" causes a certain depersonalization, where assessments of individual characteristics take a back seat to group characteristics. Against this theoretical background, mass psychological approaches such as stereotype formation, discrimination, etc. can form the basis of their work.

For the analysis and treatment of intergroup conflicts within the organization, three possibilities of strategic action that emerge from social identity theory are of interest (Haslam, 2004):

1. Social mobility. This is of how easy or difficult it is to change groups. It is more difficult to change from a lower-status group to a higher-status group because the higher-status group refuses to accept lower-status group members.
2. Social creativity. Creativity is the process of reinterpretation that a member of a lower-status group undergoes when they are denied access to the higher-status group. They will then look for other group characteristics that compensate for the negatively perceived characteristic because of which they actually wanted to leave the group.
3. Social competition A social conflict between two groups can degenerate into an open conflict and influence behavior in individuals (such as the reaction of Mr. Rubel at Quantum after the competition between the groups was called out).

Biological Approaches

Only for the sake of completeness, rather than because of a lasting relevance in organizational behavior, are approaches mentioned that relate behavior in and of groups to the developmental-biological origins of humans. Here, for example, it is emphasized that basic affective patterns that make up behavior today have their origins in the early developmental history of humans and that the limbic system can override reason.

Systemic Approaches

Systemic approaches, which go back to Luhmann's theories, view groups as “autopoietic systems” that cannot be influenced from the outside. Systemic approaches represent a closed theoretical world of their own, which is why they can either only be touched upon excursively or presented in great detail with their very complex theoretical constructs. In the interest of the scope of this text, but even more so because of the isolated position of systemic approaches within the scientific treatment of group behavior, a broad presentation is dispensed with here, but at the same time the claim to completeness is made.

SUMMARY

A group can be defined as a constellation of two or more people who interact with each other over a period of time. They are both aware and conscious of the other and are also interdependent in terms of their behavior and performance.

Groups and teams can be distinguished from one another. This distinction can be made due to the differences between groups’ and teams’ goal orientation, behavior, and time limits.

There are various forms of organization when it comes to groups. These different organizational forms can explain the performance of the group by examining the defining characteristics of its members, the organizational environment of the group, the group’s norms and standards, and group cohesion, roles, and conflicts.

As a general rule, groups go through various processes which can generally be described by using phase models of group dynamics. The theories of group dynamics enable us to distinguish between the functions, positions, and roles of each individual group member.

When one speaks of explanatory approaches to behavior in groups, what is being referred to is the motivational, behavioral, systemic, and cognitive models.

UNIT 4

THE ORGANIZATION

STUDY GOALS

On completion of this unit, you will be able to …

- define organization, organizational culture, and organizational climate.
- determine which organizational design variables need to be considered.
- understand the influence organizations can have on the behavior of employees.
- explain what organizational culture consists of.
- describe how the socialization of employees takes place.
- understand the role of human resource management in change processes.

4. THE ORGANIZATION

Introduction

We will begin this unit with a case study based on Kauffeld (2011). Ms. M. suddenly suffers from chest pains. She knows from experience that there can often be long wait times in the emergency room of the local hospital. Ms. M. informs herself and finds the specialist department cardiovascular and thoracic surgery (CVT) on the internet. She thinks she is in good hands there with her symptoms. After arriving at CVT, she first has to wait for two and a half hours before she can be admitted.

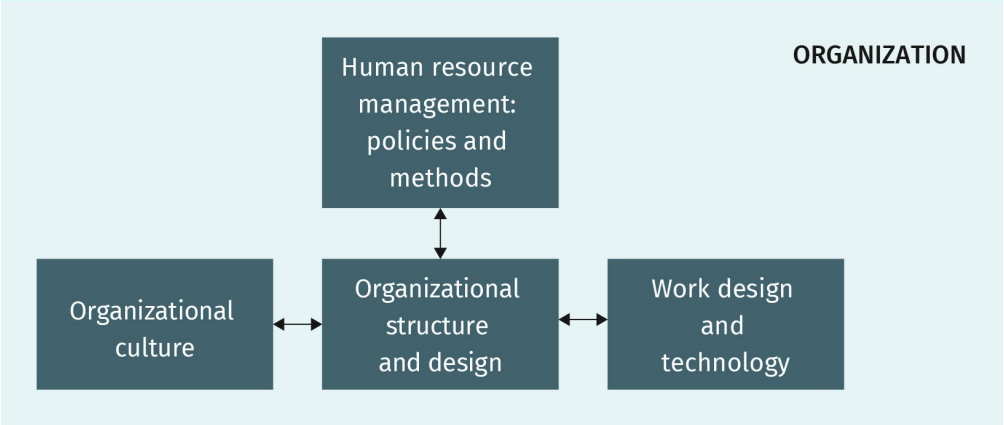
At the hospital, she fills out various forms, talks to the intake nurse, and then to several other nurses. After a routine blood sample is taken, she is told that she will have to be patient a while longer as, at CVT, the doctors usually only see patients in the afternoon. She has her first doctor's appointment in the late afternoon. The intern is very friendly, but after a short examination he tells her that the focus at CVT is on surgical interventions, which are diagnosed beforehand. He would like to refer her to the cardiology department of the hospital, as there, the focus is on making diagnoses. As Ms. M's pain persists, she spends the night in the intensive care unit. The next day, her condition has improved and she is asked to go to cardiology. The picture here is similar to that in CVT: very long wait times with admission in the morning and contact with the doctor in the afternoon.

After a stay of two days, a series of cardiological examinations is finally performed. The result is that CVT surgery is required. Ms. M. is very annoyed that she has to return to the starting point of her clinical journey after three days.

What needs to take place so that patients like Ms. M. do not have to wait unnecessarily long and so that the duration of inpatient treatment can be shortened? How should the hospital be organized in order to work more efficiently?

After behavior at the individual and group level, we also want to look at the third level of the overall organizational behavior model: The organization. In the example above, it becomes clear what influence the organization of a company can have on performance. Of course, there is a long-established branch of science, business organization studies, the findings of which are used by organizational behavior as a framework for behavior, just like organizational culture and work design, which is part of human resource (HR) management. Likewise, HR policy and methods of HR management are influencing factors that need to be considered.

Figure 14: Organization Level of the Organizational Behavior Method



Source: Created on behalf of IU (2023).

4.1 Organizational Design Variables

An organization is a system based on the division of labor, in which personal or material task bearers are engaged to perform the company's task and to achieve the company's goals and vision (Kauffeld, 2011). Several structures are possible: e.g., one-line, bar-line, or multi-line organizations. Moreover, current literature discusses the possibility of learning organizations, which were first described by Argyris & Schön (1997).

The formal outline of the organization's hierarchical structure and the flow of processes are collectively referred to as the organizational structure. The management decisions related to the organization can be described in six design variables (Robbins, 2001).

Six Design Variables

As most organizations are still one-line or bar-line organizations, we will focus on the design variables of these structures. The formal outline of an organization's hierarchical structure and the flow of processes are collectively referred to as the organizational structure. The management decisions related to the organization can be described in six design variables (Robbins, 2001).

Work specialization

Work specialization, or division of labor, provides information on the extent to which a task can be divided into subtasks and then carried out by specialized workers. Undoubtedly, division of labor and specialization are associated with considerable efficiency advantages and productivity increases. However, this effect reaches its limits when the division of labor has negative consequences for the employees. Monotonous work leads to a loss of job satisfaction, frustration, boredom, and, as a result, to higher absenteeism, quality losses, and rising turnover rates. The answer to these negative consequences is

increased job breadth and responsibility, as well as the establishment of (partly) autonomous teams. Striking a balance between the positive and negative effects is one of the most important design variables of management.

Departmentalization

The tasks divided up and assigned to specialists or teams must be coordinated, planned, managed, and controlled for the purpose of overall task completion. Departmentalization can be based on various criteria, such as function. In this case, departments are formed to bundle specialists for a specific work task (research and development, marketing, accounting, or cardiothoracic and vascular surgery).

Departments can also be formed based on products or geography. Clearly, the hospital in our initial example is not organized according to the sequence of operations. Each department admits patients individually. A coordination of all work steps and a subsequent referral to an organizational unit would be a process-oriented structure.

Chain of command

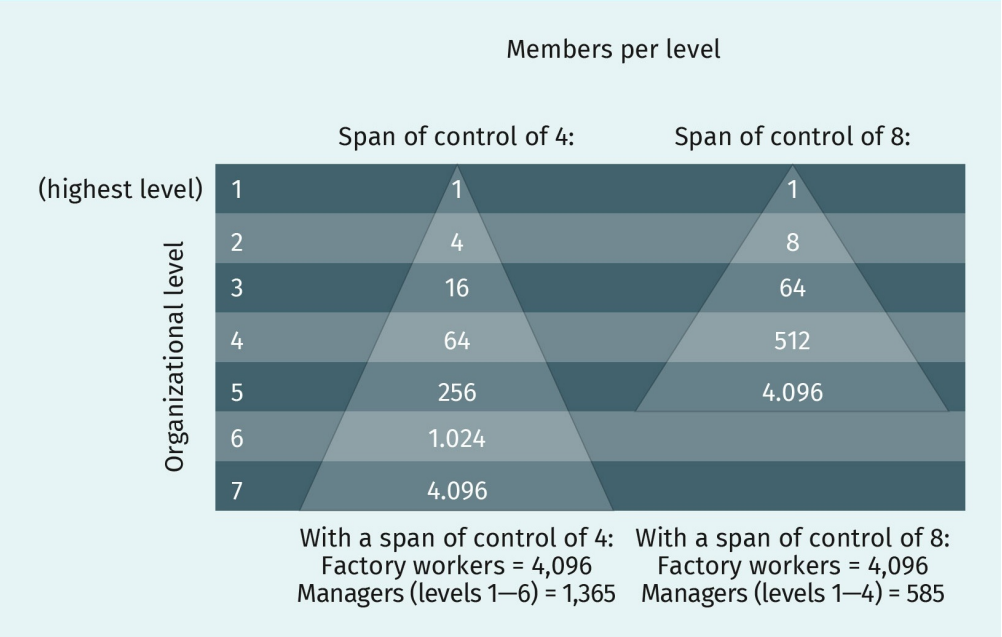
This regulates who reports to whom, who receives instructions from whom, and who is accountable to whom. The chain of command is shaped by two additional concepts: authority and unity of command. Authority describes the right to issue tasks and instructions and to insist on completion.

In order to prevent a subordinate employee from receiving contradictory instructions from several superiors, the principle of unity of command requires that an employee has only one direct superior, a continuous line of command. In light of new information technologies entering the world of work and the increased emphasis on “team” work over the last decade, this theoretical requirement has lost importance in practical organizational design.

Span of control

The span of control or span of leadership determines the number of hierarchical levels in an organization. It provides information on how many employees a supervisor manages. There is no correct span of control; however, there are arguments for keeping it small (accuracy of control, ease of communication with employees). However, there are also arguments against it (e.g., costly due to many hierarchical levels, more difficult communication between organizational units, and negative reactions due to subjectively perceived strict supervision). Large management spans also have simultaneous advantages (relatively lower costs, accelerated decision-making, and increased flexibility) and disadvantages (profusion of management tasks for managers).

Figure 15: Contrasting Spans of Control within an Organization



Source: Robbins (2001, p. 489). Used with permission.

Centralization and decentralization

This answers the question of where decisions are made. Here, too, there is no right or wrong solution, but only an organization that is too centralized or too decentralized depending on their specific situation. The variables in each case are the size of the company, the character of a routine or individual decision, and the need for a quick or a precise decision, amongst other factors. Nevertheless, there is a trend towards choosing a form of organization that is as decentralized as possible and only as centralized as necessary.

Formalization

The final design variable concerns the question of how much tasks can be standardized. Routine tasks are highly standardized, they leave the employee in charge with little or no room for decision. Here, too, concrete design criteria are available by which management can decide on the situational implementation of formalization.

Organization and Behavior

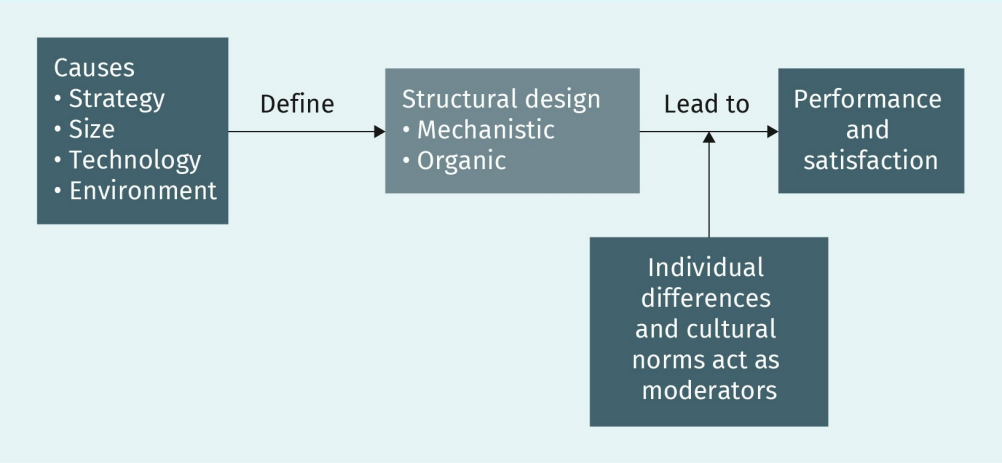
Organizational design, of which the building blocks listed above can be used, influences the behavior of employees. It must be taken into account that direct and reliable control of employee behavior, as intended in leadership or motivation models, is not possible. This is opposed by the individuality of people. Despite concrete evidence of trends, they react in a highly individual and unpredictable ways. In this respect, the empirical research

that presupposes this individuality is fundamentally based on the consistency theory model. That being said, the following are empirically proven indications of the connection between organization and employee behavior (Robbins, 2001):

- Work specialization leads to an increase in employee productivity, but generally at the expense of job satisfaction.
- A correlation between the span of control and employee performance cannot be empirically proven.
- There is evidence of a positive relationship between a wide span of control and the performance and job satisfaction of managers.
- There is a clearly proven positive correlation between decentralization and job satisfaction, but only limited to employees with a high level of self-esteem.
- The relationship between structures and performance is strongly dependent on cultural differences such as power distance (basic attitude towards power).

The consequences for management lie in the consideration of the mechanisms shown in the following figure.

Figure 16: Determining Factors and Outcomes of Organizational Structure



Source: Robbins (2001, p. 508). Used with permission.

As independent variables, the environment, size, technology, and strategy of a company determine the dependent variable of structural design, which ranges between the mechanistic (Weber's bureaucracy model) and organic (situationally flexible). The individual differences described above and cultural norms act as behavior-influencing moderators in this illustration.

People do not react to formal models, but to the reality of the organizational structure. Therefore, it is indispensable to constantly compare the formal structure with the "implicit" structure created by actual perception.

4.2 Organizational Culture and Climate

If it is true that personalities influence the perceptions and behavior of the individual, and if groups have their own identity that influences their behavior, why should this not also be true for organizations? Since the mid-1980s, management theory has begun to see the organization as the bearer of its own culture. When two equally large and equally successful organizations with similar products on the same markets are compared, they each seem to have their own character. The question of how this character, this personality, can be described and what consequences this has for management is addressed by the question of organizational (corporate) culture and the organizational (corporate) climate.

Organizational culture is (using an abbreviated definition that exists in academia) the system of values and norms that are shared by organizational members and that distinguish organizational members from non-organizational members. Culture creates meaning for the members of the organization.

Edgar Schein (2004) has described cultures as self-evident facts that are not questioned by the members of the organization and that influence their perception, thinking, and actions. He identified three distinct levels of organizational culture:

1. Artifacts: This is everything that can be seen (dress codes, office architecture, workflow organization).
2. Espoused values: This refers to values defined in corporate philosophy and strategies.
3. Assumptions: These are implicit, tacit assumptions that actually influence behavior.

Neuberger (1989) refers to the following as symptoms of corporate culture:

- verbal symptoms
  - stories (myths, anecdotes, parables, legends, sagas, fairy tales)
  - slogans, mottos, maxims, principles
  - language rules, jargon, taboos
  - songs, anthems
- interactional symptoms
  - rites, ceremonies, traditions (Celebrations, banquets, anniversaries, conventions, conferences, meetings, board visits, auditor visits, organizational development, selection and induction of new staff, promotions, complaints)
  - magic acts (staff selection, strategic planning)
  - taboos
- Artificial symptoms
  - status symbols
  - badges, emblems, gifts, flags, logos, prizes, certificates, incentive trips, idols, totems, fetishes, clothing, outward appearance, architecture, working conditions, posters, brochures, company newspapers

According to Chatman & Jehn (1994), the following seven characteristics are identified which shape organizational culture:

1. Encouraging staff to innovate and take risks
2. Expectation of accuracy, analysis and precision from staff
3. Results orientation: focus on results rather than processes
4. Considering the human impact of management decisions
5. Establishing teamwork
6. Balancing aggressiveness and competitiveness versus cooperative interaction
7. Orientation of the entire organization towards change or towards stability

If we create a bipolar profile for these seven criteria and apply to it the convictions and attitudes shared by all members of the organization, the overall result is an image of the organizational culture.

Corporate cultures are still very often created by the ideas of the founders. Since they tend to hire only those employees who share their cultural ideas, the corporate culture is further reinforced. Additionally, they try to convince employees who are initially neutral, of their corporate culture. If they are as successful in this as Bill Gates, Steve Jobs, or Richard Branson, employees will not object to being socialized accordingly.

Even though the focus so far has been on the commonality in the perception and formulation of the culture, it must be taken into account that subcultures can form alongside the dominant corporate culture, which contradict the corporate culture, or express alternative sets of values. Fundamentally, it can be assumed that there are strong and weak corporate cultures, depending on how strongly committed the individual employees are to the culture. A corporate culture can be so strong that it replaces the formalization of employee behavior. In this case, predictability and consistency of behavior can be established even without written formulation (Robbins, 2001).

The question of whether corporate cultures are effective depends on the respective degree of fulfilment of the functions that are generally associated with corporate culture, which

- distinguishes itself from other companies,
- creates identity,
- promotes commitment to the organization,
- supports the stability of the system,
- serves as a behavioral benchmark, and
- supports the socialization of new employees.

If these functions are fulfilled, a corporate culture is conducive to performance. Connecting employees and fostering their commitment is a direct success factor for the company. The creation of meaning and identity also increases the consistency of employee behavior.

However, a strong corporate culture can also have a negative effect. It must not be forgotten that a strong corporate culture is not an end in itself. Like all variables influenced by management decisions, it has to do with the success of the company and its long-term viability. If a strong commitment of employees to each other and to the corporate culture

causes resistance to economically necessary change, the strength of the culture is no longer a positive element but an obstacle. This applies both to structural changes and to necessary changes in the culture itself.

The fact that a strong corporate culture has positive influences on corporate success has been proven in numerous studies. Fundamental to this was the study by Kotter and Heskett (1993), in which the influence of a strong corporate culture on success was empirically proven for the first time.

Cultivating Corporate Culture

An ongoing review of the corporate culture within the framework of a culture check is part of standardized controlling. If it is determined that the official corporate culture and the experienced reality are undesirably far apart, a decision must be made as to whether the corporate culture can be better communicated and implemented, or whether it should be adapted to the new circumstances.

Three human resource management areas are particularly suited to the constant cultivation of corporate culture: employee selection, management action, and the socialization of new employees.

It is plausible that employee selection is initially concerned with determining whether "the chemistry is right," but it is difficult to make this tangible. Here, training, experience, and a commitment to the company culture are needed. The fact that management action, especially at the top levels, has a direct influence on corporate culture is immediately obvious when the character of the manager is emphasized as a role model.

Socialization

Socialization of new employees describes their active integration to the **corporate culture**. There are various models that describe this process, but fundamentally it can be broken down to the three separate phases of pre-entry, encounter, and metamorphosis:

1. Pre-entry phase. In the pre-entry phase, the corporate culture is deliberately presented to a suitable candidate. The goal is to prevent a new employee from noticing only after joining the company that the corporate culture causes internal conflicts or conflicts with the behavior of other employees who act in accordance with the corporate culture.
2. Encounter phase. In the encounter phase, despite thoroughly presenting information in the pre-entry phase, conflicts may still arise with the new employee concerning the corporate culture. In this case, the management is called upon to help the new employee decide whether the new perception of the situation will lead to a termination of the contract or whether the new employee will be conducted into the third phase, the
3. Metamorphosis. Should the new employee decide to stay, they adapt their attitudes to the prevailing corporate culture.

Corporate culture
A certain set of values, norms, and artifacts which describe the character of an organization is called corporate culture. While most of these values and norms are informal and invisible, they have a strong impact on the behavior within an organization.

The management of a company which is strongly aligned with the corporate culture would be well advised to have its own metamorphosis management in place to ensure the successful socialization of new employees. Socialization is only complete when the new employee truly feels comfortable in the workplace and has no problems with either the corporate culture or with behaviors that conform to the culture.

Socialization is closely related to the legal contract, but more so to the psychological contract that the employee has entered into (Bartscher-Finzer & Martin, 2003).

In contrast to the organizational culture, which tends to apply in principle and over the long term, the organizational climate is the result of day-to-day perception, or daily interactions.

4.3 The Role of Human Resource Management in Organizational Change

Following the generally accepted statement that the only constant is change, numerous scientific approaches have been established in recent decades that examine the consequences of dynamic development on companies. These approaches focus on widely differing aspects, but in our context, we are only interested in the human resources perspectives on organizational change. To this point, a few preliminary remarks on the general dimensions and impact mechanisms of change on human resource management perspectives are in order.

Change management
The purpose of change management is to shape the path of a company from a starting point to a desired future state. Change management aims to execute the plans which are defined by strategic management.

Change can take different forms. Occasions for systematic **change management** can be incremental or fundamental transformations. Within a certain epoch, which is delineated differently for each sector and for each business area, systems are stable. Therefore, the constant pursuit of optimization calls for measures that can use the fundamental patterns of organization as a set framework. Change is then "incrementally" induced.

Much more spectacular is the destruction of a stable system by external influences or long-term trends. Then we speak of "fundamental" change. Shaping change is the continuous adaptation of the enterprise and its parts to the constant and abrupt changes in the framework of operational events.

Change Management Model

There are a number of very different approaches to the question of how change should essentially be dealt with. Müller-Stewens and Lechner (2001) categorize four strategies for approaching change management, which is the conscious and intentional engagement with the need to actively embrace and implement change (Müller-Stewens & Lechner, 2001).

Change as a planning problem

The classic starting point, which they call the "commander's approach," is based on the traditional hubris of reducing change to a planning problem exactly like all other management tasks. According to this basic concept, a goal for change is defined, the optional ways to achieve the goal are examined, decisions are made about them, and corresponding measures are implemented.

Change as managing resistance

Building on the approach of a planning problem, this approach looks for expected resistance to the implemented measures. These are analyzed and dealt with appropriately in each case, but the actual planning goal is retained. In this context, Kurt Lewin brought into play his "three-phase model" of the transformation of organizations. An old state of equilibrium is transformed into a new state of equilibrium through the phases of unfreezing, moving, and refreezing. In the process, opposing (stabilizing the old system) and proposing (pushing for change) forces can be identified. Based on Lewin's model, Krueger proposed five phases and Kotter eight (Gallagher, 2013).

Change as a learning process

This approach is based on the two assumptions that the changeability of an organization depends on its ability to learn and learning is the expansion of an existing knowledge base. As such, the learning process is necessary for organizational change. From this perspective, change management, and those responsible for it, must ask how the conditions for learning processes can be improved. With the leap of faith required for self-learning processes and the structural freedom associated therein, the reliability, flexibility, and applicability to opportunities for structural change are often viewed with skepticism.

Organizational development of change

This approach contains what the title promises, an entire range of systemic change within closed systems.

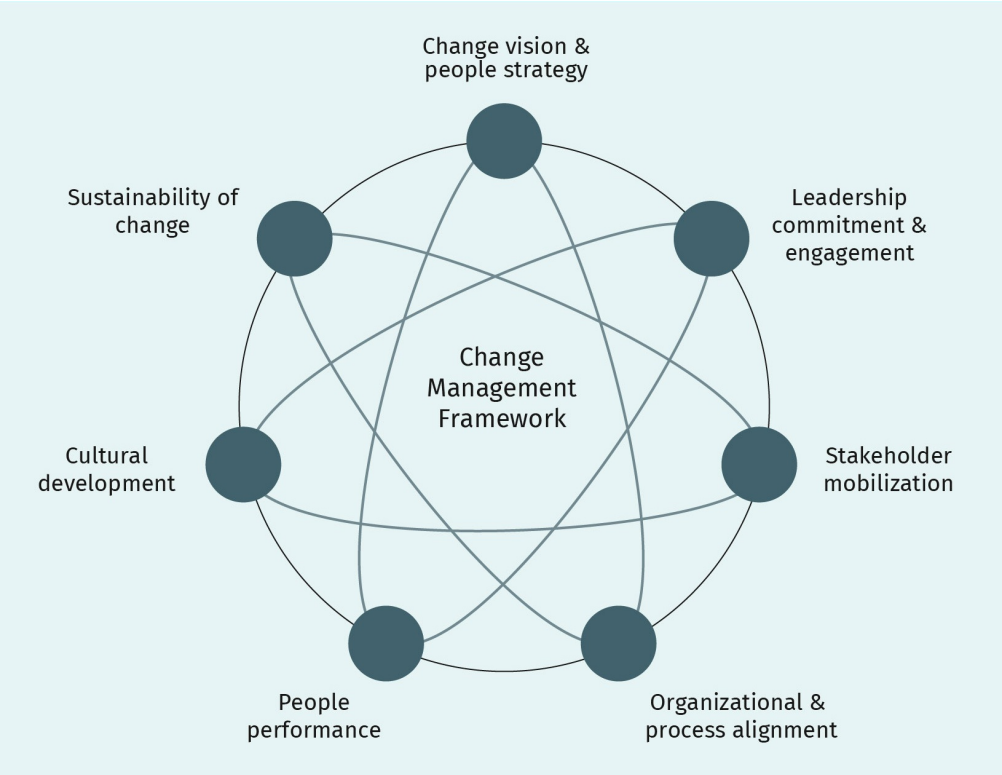
Necessity of Change Communication

Whichever model is followed, it remains certain that any theoretical foundation will be wasted if the individual is not seen as the agent of change. Basic attitudes and behavior can be explained psychologically and cannot be disregarded, especially in a corporate context, and therefore the reasoning behind business and economic psychology. These insights include the fundamental rejection of change, as it is associated with uncertainties about the future and thus primarily equated with risk. In change processes, it is therefore always important to ensure that the company carries out sufficient and professional change communication with its employees and stakeholders. This does not prevent resistance, but it can reduce it, which, in turn, can increase the readiness for change and the understanding of its necessity.

Success Levers for Change Management

The HR and management consultancy Capgemini distinguished seven levers of success for change management, all of which can be directly linked to the task of "people management" in different ways.

Figure 17: Change Management Levers



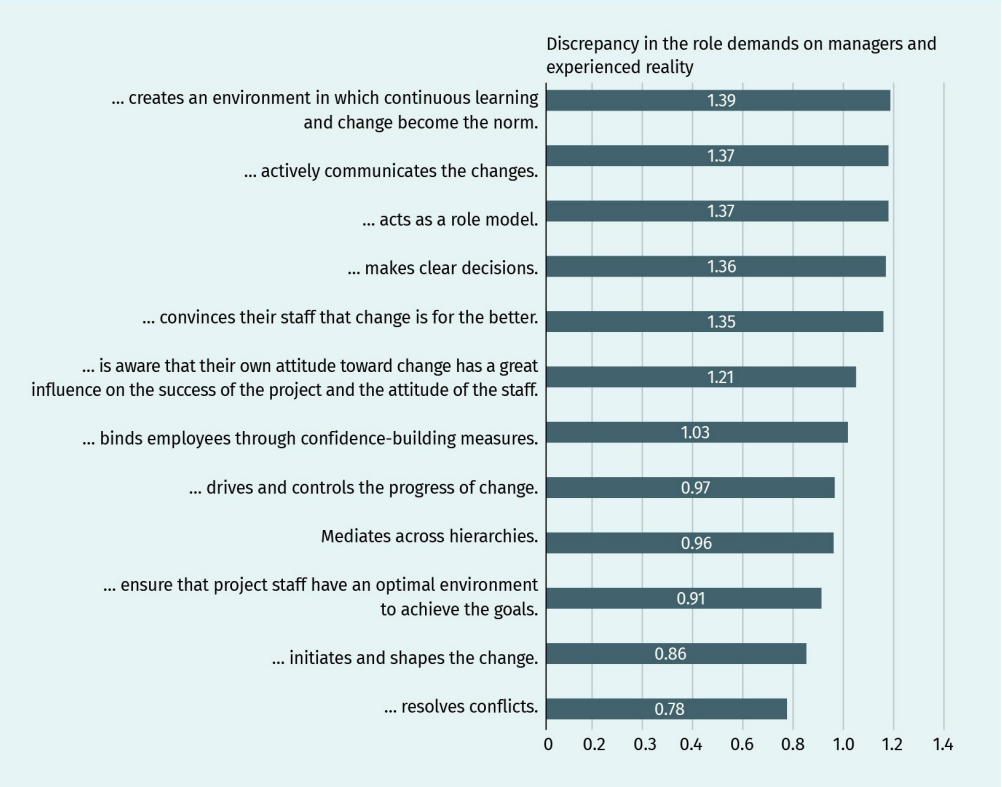
Source: Capgemini Consulting (2012, p. 28). Used with permission.

The Change Management Study 2012 yielded a clear profile of requirements for managers with regard to successful change management projects (Capgemini Consulting, 2012):

- Be a role model.
- Communicate actively.
- Reflect on yourself.
- Have clarity in decision-making.
- Be persuasive.

It is precisely in these requirements that the greatest gaps between the ideal and reality can be found, as can be seen in the table below (Capgemini Consulting, 2012).

Figure 18: Greatest Gaps Among Managers

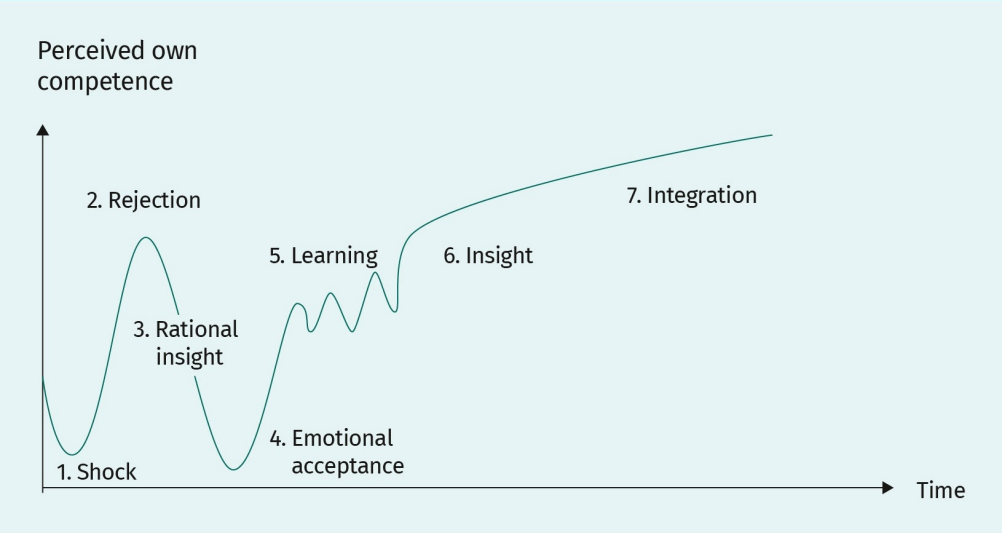


Source: Capgemini Consulting (2012, p. 35). Used with permission.

Resistance

Change management measures always provoke resistance from employees. Based on psychological grief work, phases can be distinguished in which different pressures for change, as well as different perceptions of one's own competencies, can be modelled.

Figure 19: Change Process Phases



Source: Keuper & Groten (2007, p. 281). Used with permission.

Similar accounts also refer to a sense of foreboding that employees develop based on isolated signals. It cannot be prevented that speculations about imminent changes in the company arise, but it becomes immediately clear how strongly transparent corporate communication and organizational culture have an effect here.

In the shock phase after a measure is announced, employees are confronted with unexpected consequences. They react with fear and confusion, while their work performance, motivation, and their own assessment of their competence decline.

After the initial shock, denial and rejection tendencies emerge. They do not want to admit it, and even believe that they can correct what they see as wrong and unnecessary measures by offering increased work performance.

Valley of tears
The normal reaction to a change is shock and fear. Hence, after initiating a change, the work performance usually declines and a feeling of overburdening and chaos prevails. This phase is called "valley of tears."

The "**valley of tears**," which has to be crossed with the frustration about the inevitability of the consequences, leads to an enormous decline in work performance. Only when there is rational and emotional acceptance can the necessity of the measures be seen.

Only when there is also emotional acceptance, when the mourning work is over, can an opening and learning phase begin. Ideally, it leads to curiosity and even enthusiasm for new projects.

In the final phase, integration, newly learned behaviors are fully integrated into the behavioral repertoire and applied with a high willingness to perform. This phase description results in a clear and helpful scaffolding for HR management.

Powerful emotions are completely normal. HR managers and executives must have the necessary social competencies to correctly interpret and classify emotional expressions and actions. In the phases of shock and rejection particularly, intense emotional reactions will be the rule.

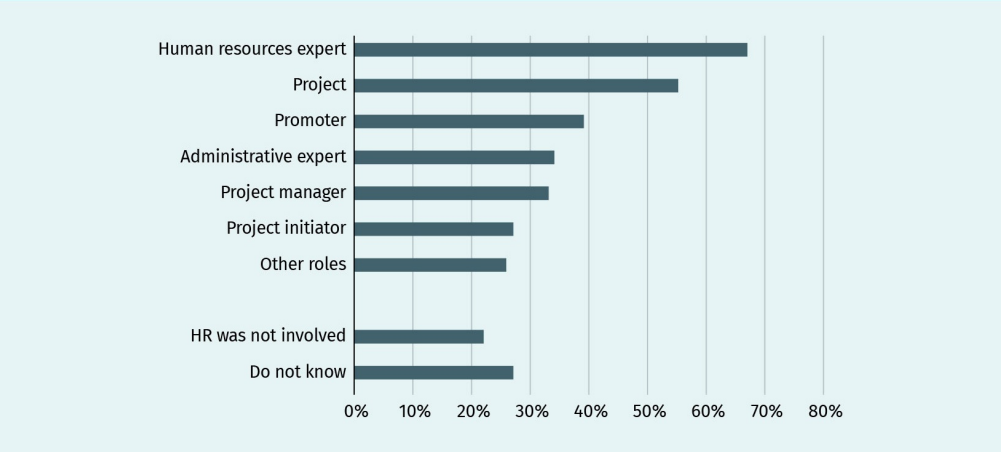
The concerns and fears of employees must be taken seriously and the perception of these emotions must also be communicated to those affected. Subsequently, employees who are strongly affected emotionally must be met with the necessary transparency, respect, and willingness to communicate in order to facilitate the joint entry into the next phase.

During the learning phase, it is important to implement a culture of failure and experimentation.

Role of Human Resources in Change Processes

In 2010, the Deutsche Gesellschaft für Personalentwicklung published a survey on the importance of HR managers in change management processes. This revealed that the position thus far established as central to the success of change processes is in reality only accepted to a limited extent (Deutsche Gesellschaft für Personalentwicklung, 2010).

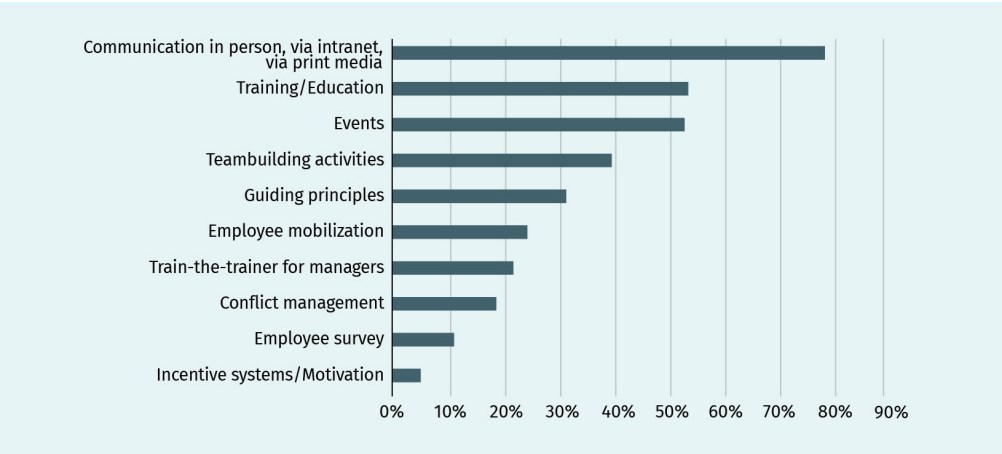
Figure 20: Role of HR in the Change Process



Source: Deutsche Gesellschaft für Personalentwicklung (2010, p. 14). Used with permission.

As expected, the most common tools used in change projects by the HR managers surveyed were communication and working directly with those affected in workshops and training sessions.

Figure 21: Most Common Instruments in Change Projects



Source: Deutsche Gesellschaft für Personalentwicklung (2010, p. 26). Used with permission.

SUMMARY

An organization can have several structures, such as one-line, bar-line, or multi-line. Most organizations are still one-line organizations and can be defined as a system based on the division of labor. This means that personal and functional task bearers are integrated in order to fulfill common tasks and goals.

Organizations have multiple design variables. These include work specialization and the division of labor, along with departmentalization, the chain of command, the span of control, centralization and decentralization, as well as formalization.

The structure of an organization can be determined by multiple factors, chief among which are environment, size, technology, and strategy. Organizational structure is further influenced by individual differences and cultural norms.

When we refer to corporate culture, we are speaking of the system of norms and values present within an organization. These can be used to provide meaning to members of the organization, as well as influencing these members' perceptions and actions. A strong organizational culture is generally accepted as having a positive impact on the success of the organization.

The socialization of employees refers to how these employees adapt to their organization’s corporate culture and corporate identity.

UNIT 5

MOTIVES, MOTIVATION, AND MOTIVATION THEORIES

STUDY GOALS

On completion of this unit, you will be able to ...

- distinguish between needs, motives, internal motivation, and external motivation.
- recognize the most important theoretical approaches of motivation theories.
- describe how content theories explain the effect of incentives on the behavior of employees.
- explain the extensions of process theories.
- infer recommendations for leadership.

5. MOTIVES, MOTIVATION, AND MOTIVATION THEORIES

Introduction

The Gallup Engagement Index has been viewed for years as one of the most important indices relating to the subjects of leadership culture, working environment, and emotional commitment of employees. The 2020 Gallup Study, focused on Germany, showed that the number of really loyal employees sank further in the first year of the Coronavirus pandemic: Only 61 percent of the employees surveyed were completely certain that they would still be with their current employer in another year's time. In comparison, this number was 73 percent in 2019 and was as high as 78 percent in 2018 (Tödtmann, 2021, as translated by author).

Many managers assumed that their employees were simply happy to have a job during the pandemic. However, in reality, many employees began to reflect more deeply during this time and seemed to view their employers, the leadership culture, and the company culture more critically.

Marco Nink, responsible for the Gallup study, stated that 37 percent of employees are actively seeking a new job – even if this does not result in them actually leaving at the end of their search. They still have one foot out the door internally, and are distanced as a result (Tödtmann, 2021, translated by author). However, according to the study, the majority of employees fulfill their duties according to instructions, they feel motivated and engaged.

Although this study was focused on the German job market, it showed a trend which can be observed in other countries, too. This is that leading a real team, really knowing employees' motives and interests, and managing a team attentively, appreciatively, and focused on goals, is more important than ever, particularly in times of crisis.

5.1 Motives, Needs, and Motivation

Motives

Motives are generally considered to be the driving forces of human behavior. They may be and remain unconscious or they may be present at the conscious level. People's motives are completely different from person to person. In principle, they can be changed and influenced. Therefore, they also play a very central role in leadership theories.

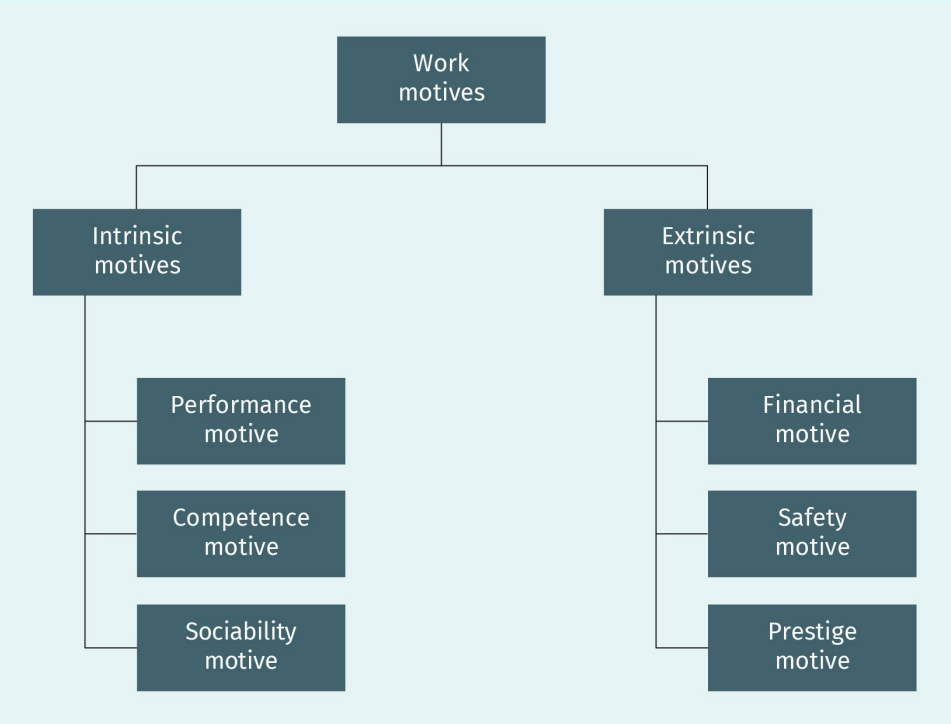
The basic premise is a very simple one,

- if it is possible to understand the conscious or unconscious motives of a person within the organization, it is possible to influence them.
- if the effect and dependency between the motive and the behavior is understood, the entire chain of effects, motive + incentive = behavior, can be used to motivate employees to display a desired behavior.

Motives can be divided into three categories (Jung, 2011):

1. Physical, psychological, and social motives. Ultimately, this classification goes back to the hierarchy of needs as used, for example, by Maslow. The physical needs that give rise to motives of biological existence, such as hunger and thirst, are primary. Psychological motives are consequently self-determination, independence, or self-realization. Social motives result from the needs of a member of a pack, such as friendship and belonging to a group.
2. Primary and secondary motives. This distinction aims to show that there are motives that every human being instinctively pursues from birth (primary motives) and those that are acquired or learned later that merely support primary motives.
3. Intrinsic and extrinsic motives. The distinction between intrinsic (satisfaction in the work itself) and extrinsic motives (satisfaction outside the work) is often used in management science. Intrinsically motivated people are generally said to have a higher level of initiative and a stronger commitment even without appropriate management techniques, while extrinsically motivated employees are assumed to have a comparatively lower level of self-motivation. Empirical studies indicate that, above all, the following work motives seem to be significant, as shown in the figure below.

Figure 22: Work Motives



Source: Jung (2011, p. 371). Used with permission.

Needs

Motives arise from needs. The desire for action arises from a deficit need that is so strong that the action is triggered. With fulfilment, the need is lowered below a threshold that triggers behavior. According to this picture, motivation is the constant fluctuation between need and its fulfilment. As already described above, in the course of time the simple connection “stimulus triggers behavior” became a consideration of motive, which, together with an incentive, triggers behavior. Only in this way can it be explained that a person who has the motive of dieting can resist the incentive of a well-filled buffet and does not make their behavior purely libidinal.

Incentives evoke expectations. On the basis of learned patterns and experiences, expectations are triggered about the principal suitability and effect correlations of certain behaviors for achieving the desired goal.

Motivation

In addition to the exact use of the terms motive and needs and their interactions, the term motivation must also be described precisely. Applied to employees of a company, motivation is the targeted influencing of behavior through incentives. Latently existing motives are to be awakened in this way, and openly recognizable motives are to be supported or curbed.

The motivation process can be described in the following five steps (Stroebe & Stroebe, 1994):

1. A need arises.
2. The unsatisfied need builds tension.
3. Provided that there is a real chance of satisfying the need, drive is created that brings about a given activity.
4. As the need satisfaction increases, tension is released.
5. Finally, a new, different need arises.

In addition to needs, leadership can also influence environmental incentives in such a way that a desire to act arises. The fact that these environmental incentives can be much more complex than expected, and even produce different results than expected, is proven by the Hawthorne studies (Sonnenfeld, 1985).

In general terms, motivation consists of the processes and factors that can trigger and change human behavior through the chain of motives. There is no uniform interpretation of the term. In psychology, motivation is a deep-psychologically anchored form of energy that manifests itself in emotions or drives. The behavioral sciences (and also behavioral psychology) assume a less libidinal manifestation, but rather place consciously or unconsciously acquired and learned control aspects at the forefront in the course of personal development. If this is true, it is possible to intervene and manipulate behavior from the outside by means of measures that promote motivation.

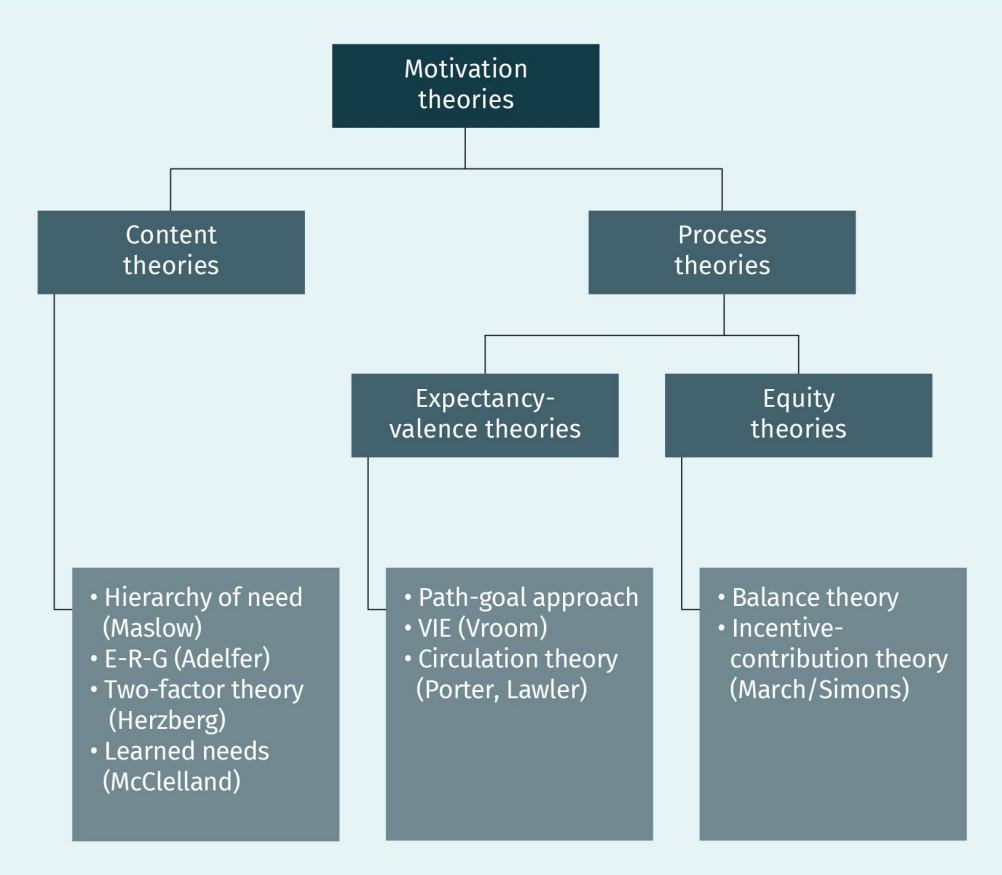
Today, it is considered state of the art to view motivation as a highly complex and situational array of various active or inactive motives of an individual, which is more plausible in its approach, but severely limits the predictability of a motivating activity.

Motivation Theories

Motivation theories aim at the content of motives (content theories), while process theories try to describe the process that leads to behavioral activation.

Motivation theories can be assigned to different approaches in psychology. Thus, the models listed below are ideal-typical representatives of humanistic psychology (Maslow, Alderfer), general psychology (McClelland) and work psychology (Herzberg). In general, any list of motivational theories will be a selection with an attempt at structure, as there are extensive additional sources to be mentioned, such as philosophy (e.g., hedonism), psychoanalytical approaches (Freud), sociology and ethics (e.g., Protestant business ethics), or behavioral sciences (Skinner), to name a few examples. Management consultants and business authors of varying quality and provenance have also dealt with the topic of motivation for different purposes, an example being Sprenger's fundamental critique (Sprenger, 2004).

Figure 23: Motivation Theories



Source: Stephan Frigger (2014).

5.2 Content Theories

Maslow's Hierarchy of Needs

Deficiency needs
The desire to eliminate a lack of something is referred to as a deficiency need.

Growth needs
The desire for self-actualization is referred to as a growth need.

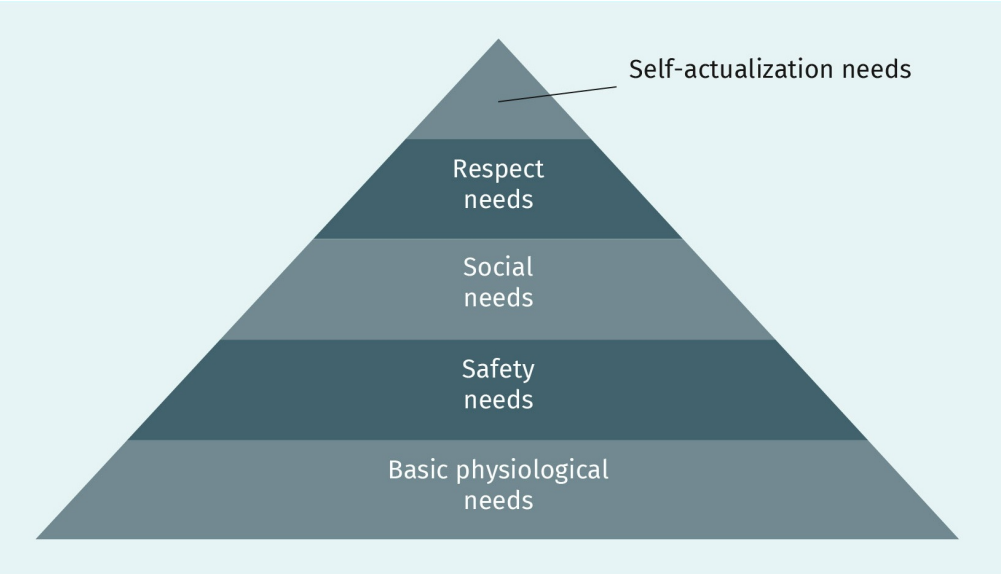
The exceptional contribution of the American psychologist Abraham Maslow lies in his categorization of human needs according to their priority. The statement of his model is that a person always has but one dominant need in any given situation (Maslow, 1981). He distinguishes four **deficit needs** (psychological needs, safety needs, love needs, respect needs) and **growth needs** (self-actualization needs). The needs are presented in a pyramid to emphasize that only after the needs of one level are satisfied are the needs on the next level addressed. Only when a person has satisfied their existential needs, such as breathing, eating, and drinking, will they be able to turn to safety needs and so on.

In addition to the physiological needs, Maslow describes safety needs as the need for protection from external dangers, but also the safety of being able to reliably satisfy the physiological needs long term. In the context of people in companies, this means that there is a need for security in the context of occupational health and safety, as well as job security in

the form of a contractual relationship that is as permanent as possible. Love needs describe the desire to belong to groups, but also the self-affirmation from individual relationships with other people, such as marriage or family. In the work context, we then quickly arrive at the motivational justification of the group and team forms of work. The need for respect includes not only the feeling of being respected by others for one's personality and deeds, but also self-respect based on one's own achievements and successes.

Self-actualization needs are ultimately infinite because they describe the sum of what each person wants to be. They are about power and influence, but also about knowledge, wisdom, ethics, etc. For motivational possibilities, Maslow's pyramid of needs means that deficit needs that have already been satisfied can no longer contribute to motivation. It is no wonder that this model is still a basic building block in the training of marketing professionals. In the case of the need for self-actualization, Maslow sees it somewhat differently in that this need will basically never be completely satisfied but rather keeps fueling itself as it is satisfied.

Figure 24: Maslow's Hierarchy of Needs



Source: Stephan Frigger (2014).

As with all theories that are widely accepted and important, there are critics. The main criticisms are the claim that this model applies to all people and the general criticism of content theories in terms of the complete lack of an explanation of the causal process of motives and needs. It explains what needs there are, but not how they concretely lead to a certain behavior. Furthermore, the original model lacks the dynamics of needs development over time, which is also unrealistic. Nevertheless, the value of this model lies in its simplicity and basic plausibility as a background for concrete applications in leadership behavior.

Alderfer's ERG Theory

The existence, relatedness, and growth (ERG) theory is an extension of Maslow's approach. It is less general than the pyramid of needs but is specifically directed at people in companies. In this application, according to Alderfer (1972), there is an overlapping of the levels which leaves only 3 to be distinguished: existence, relatedness, and growth. The decisive advancement, however, does not lie in the numerical trimming of the pyramid levels, but in the abandonment of their priorities and one-sided dependencies. Needs of one level are not activated only when those of the lower level are completely satisfied, and it is also possible to satisfy substitute needs of a lower level even when the needs of the level above have not yet been satisfied. This becomes clear if one takes a closer look at Alderfer's three basic hypotheses (Alderfer, 1972):

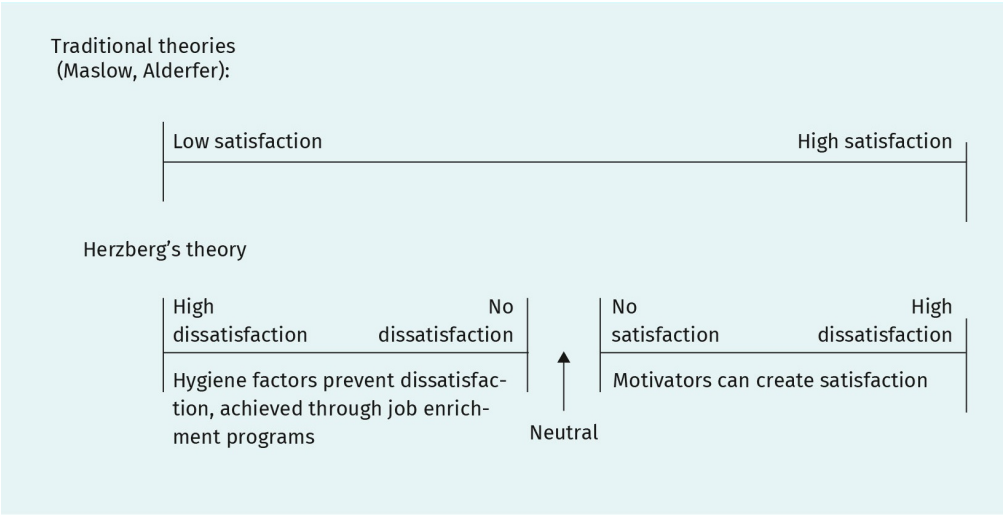
1. Frustration hypothesis. A need becomes more dominant the greater the extent to which it is not satisfied. In concrete terms, this means that the less the existential needs are satisfied, the stronger they become. The less the relationship needs are satisfied, the stronger they become.
2. Frustration-regression hypothesis. The less the relationship needs are satisfied, the stronger the existence needs become. The less the relationship needs are satisfied, the stronger their impact.
3. Frustration-progression hypothesis. The more the existential needs are satisfied, the stronger the relational needs become. The more the relationship needs are satisfied, the stronger the growth needs become. The more the growth needs are satisfied, the stronger they become.

Alderfer's contribution is more differentiated than Maslow's, but it does not solve the problem of the missing description of the actual motivation process.

Herzberg's Two-Factor Theory

Herzberg's contribution cannot be separated from the question of the causes and influencing factors of job satisfaction. The two-factor theory is a prime example of a theoretical model based on an empirical study (Herzberg et. al., 1959). In the 1950s, Herzberg asked more than 200 white-collar workers and engineers about situations in which they were particularly positive or particularly negative about their work and the respective causes. The results of his survey led to a distinction of influencing factors, which were categorized into two groups: motivational factors (motivators) and hygiene factors (maintenance needs).

Figure 25: The Basic Two-Factor Model



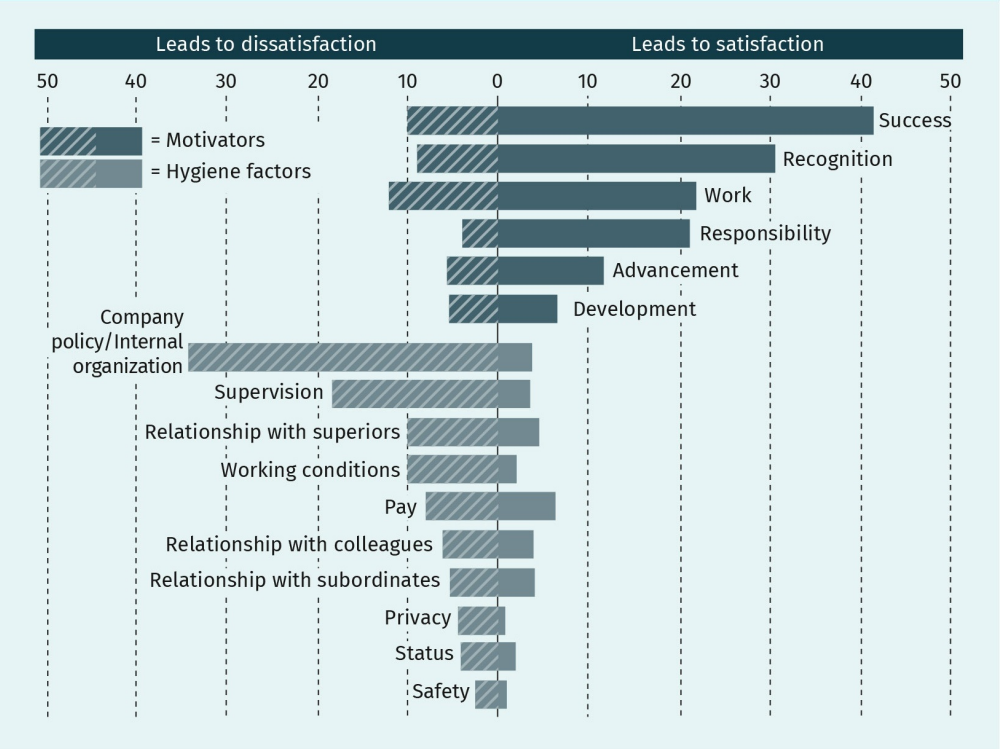
Source: Weinert (2004, p. 198). Used with permission.

These basic needs of the employee differ from the previously held view that there is a single one-dimensional classification between the two poles of satisfaction and dissatisfaction. Herzberg's approach is much more differentiated: The hygiene factors pay/status, development prospects, relationship with subordinates, colleagues, and superiors, leadership behavior of superiors, company policy, company organization, working conditions, occupational safety, and consideration of private life only provide a scale of dissatisfaction and satisfaction. This means that the fulfilment of the hygiene factors alone is not enough to create satisfaction.

The motivational factors of self-affirmation and performance success, recognition, work task and content, responsibility, promotion, and advancement also describe a continuum, namely between non-satisfaction and satisfaction. This means that not fulfilling motivational factors does not lead to dissatisfaction, but only to non-satisfaction. Likewise, if all factors that negatively influence hygiene factors are eliminated, this does not yet mean that employees are motivated. For this, motivators must still be sought at a second stage.

This motivation can be achieved primarily through job enrichment, whereby direct control by superiors is reduced in favor of increased personal responsibility and employees are assigned tasks that were previously not within their area of responsibility.

Figure 26: Herzberg: What Drives Employees



Source: Herzberg (2003, p. 71). Used with permission.

The Theory of Acquired Needs

The fact that there is a connection between a subjectively felt sense of achievement and the associated satisfaction of needs on the one hand, and the resulting increase in performance on the other, was compiled into an overall model by McClelland in his theory of acquired needs (McClelland et al., 1953). This states that every human being has three basic work-related needs: achievement, affiliation, and power.

His main focus is on the need for achievement. He assumes that achievement motivation always takes place when the individual receives a sufficiently strong incentive with a sufficient probability of success that recognizes the desire for need satisfaction through achievement. In the course of their life, the individual recognizes that the achievement of a specific performance satisfies a certain need satisfaction, namely the need for achievement. In McLelland's view, the roots of this lie in childhood. Through appropriate educational measures, the course can be set early on to learn this need satisfaction. According to McClelland's theory, people who are molded in this way have a particularly high degree of independence in decision-making and action. They prefer activities in which a clearly recognizable and quick result is achieved.

For management, it is relatively easy to set the necessary framework conditions and situational stimuli for employees who correspond to the type described by McClelland. The tasks given to these employees must not be too low in ambition, as they will then not lead

to satisfaction through performance. However, they must also not be too high in the level of demands since failure to fulfil the task will also lead to the failure to satisfy the need for performance. In any case, the tasks should contain clearly formulated goals, the necessary information should be provided in full and only goal-related checks should be carried out. Employees should seldom be reprimanded for their work and praised often and, above all, paid according to their performance. Positive feedback reinforces the behavioral tendency towards more and better performance. McClelland is often credited with this general statement, but only about ten percent of the population show this strong connection between the need for achievement and achievement motivation.

5.3 Process Theories

Expectancy Theories

The distinction between process theories and content theories lies in the fact that the interaction of motivation and situation influences behavior and not only the content and the strength of an unsatisfied need. In process theories, people are not only able to decide whether an incentive is at all suitable for satisfying a need, but they can even, as in expectancy-valence theories, calculate the probability of whether a need will be satisfied. This feeds the expectation that the action will lead to the satisfaction of a need, hence the name of these theories.

The path-goal theory

The path-goal approach is also based on learning and experience. Once a person has experienced that a certain path leads to a goal, they will try to follow this path again and again (Georgopoulos et al., 1957).

These sequences are then so strong that any other suggested or ordered path will lead to low or even de-motivation. The goals in this model are personal goals, these are defended in that work performance will be low if the path does not seem suitable for achieving these personal goals.

This approach may seem unspectacular at first glance, but it is worth mentioning because its view of the causes of behavior set the tone for subsequent development of process theories. These are fundamentally based on the basic model of the path-goal theory.

Moreover, the path-goal theory was taken up again in the 1970s by Evans (1970) and House (1971) and further developed as a leadership theory (House & Dressler, 1974). This assumes that the “leader” can influence the motivation of the “follower” through their leadership behavior by making goal achievement more attractive and easier for the follower. This is done by supporting the follower’s motivation, but also by providing incentives and indications of the path by which the follower can reach their goal.

Vroom's VIE theory

A distinct variation of the path-goal theory is the Valance Instrumentality Expectancy (VIE) theory. The starting point for this is also the expectation that the employee, through the process and the result, seeks personal goal fulfilment by means of good quality work performance. Vroom (1964) sees the expected process flow as dependent on three factors, as follows:

- valence. The subjectively perceived reward that results from the individual motives and incentive of a performance. Valence provides information about the importance the employee gives to their goal.
- instrumentality. The subjectively perceived suitability of a particular action to contribute to the achievement of the incentive's goal.
- expectancy. The subjective assessment of the likelihood that a particular action will produce a particular result.

Motivation is the driving force to perform a certain action. According to Vroom, a person's motivation for a certain action now results from the multiplication of the three factors. In a management context, this leads to the recommendation that the incentives offered should be sufficiently attractive and perceived as positive by the employee and thus in line with their current needs. The employee must recognize a high probability that their action will also lead to the achievement of their goal.

The circulation theory

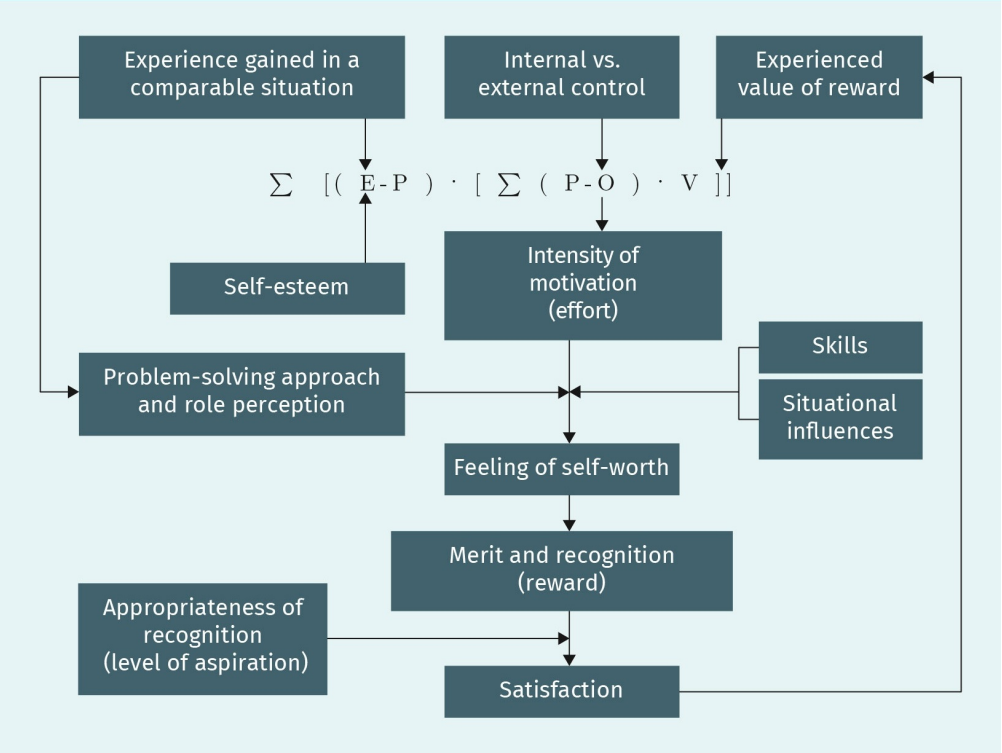
The circulation theory, which Porter and Lawler published in 1968, is an extension of Vroom's VIE model. However, the focus here is on the individual expectations that the employee attaches to their actions. Performance and satisfaction result from a diverse combination of factors such as abilities, skills, effort, rewards, and role perception.

For the individual, the question is how the effort will lead to an expected result (performance). Here, the actual effort, meaning the willingness to perform, is dependent on the subjectively perceived value of an extrinsic or intrinsic reward and the probability that such a reward will actually occur.

In this model, performance itself is dependent on the individual abilities and personality of the employee, as well as the way in which they fulfil the role they have been assigned.

Satisfaction, however, only arises when the reward is perceived as fair. In this context, fairness results from the comparison of the actual reward with the reward subjectively perceived as appropriate. While Herzberg sees satisfaction as a preliminary stage of work performance, the theory of circulation assumes a recurring cycle, hence the name circulation. Satisfaction thus becomes both the precondition and the result of performance.

Figure 27: Expectancy-Value Model According to Porter and Lawler



Source: Created on behalf of IU (2023).

Like all expectancy-valence theories, Porter and Lawler's model has the advantage over content theories in that observable and influenceable human behavior is understood as the result of a multivariate interplay of many factors and not just one incentive for need satisfaction.

Equity Theories

Equity theories are based on the homeostasis concept (Jung, 2011). This states that humans always strive for a balance between needs and need satisfaction with their actions. Needs disturb the physiological, social, and cognitive balance, which can therefore be restored through need satisfaction.

Adams' equity theory

According to Adams (1963), motivation is also the elimination of an imbalance. In the work context, human behavior can be described in terms of acts of exchange. The labor employed is exchanged for monetary remuneration, promotion, or social recognition and security. In this respect, this model differentiates from the previous models in that the expectations underlying motivation are further broken down.

When employees compare the rewards of their performance with those of other colleagues, and the employee experiences internal tension due to unequal treatment, they become imbalanced. They then have a choice between demanding that the employer redress the imbalance, such as by offering higher pay, or adjusting their performance to match that of their peers. If there is no possibility of adjustment due to a lack of power, the frustration increases until the employee leaves the company.

Barnard-Simon and the incentive theory

The basis of the equity theory is the incentive theory of March and Simon (1958). This states that employees compare their commitment (qualification, experience, work performance, etc.) with the monetary and non-monetary incentives of the employer. This results in a personal cost-benefit ratio, which determines the willingness to work. As with Adams, subjectively perceived equity also plays an important role here. In addition, the interpersonal relationship is relevant, which underlies every incentive-contribution relationship and supports the perception of interpersonal equity. If a feeling of social, procedural, or interactional inequity arises in the employee, two different strategies are open to eliminate the dissonance that has arisen:

1. Behavioral strategies have a direct impact on work performance, which is increased or reduced depending on the outcome of the social comparison. Additionally, there may be a decrease in commitment to the company or behavior that is detrimental to the company.
2. Cognitive strategies include a conscious or unconscious change in the chosen compared person or a re-evaluation of the respective incentives and contributions. Another strategy to reduce cognitive dissonance is internal resignation and focusing the satisfaction of needs on activities outside the work context, ultimately also leaving the company.

March and Simon's incentive-contribution model is by far the most comprehensive. Incentives can be, for example,

- performance-based promotions,
- performance-related pay,
- measures that are conducive to a good working atmosphere,
- employee-friendly workplace design,
- room for personal development, and
- job enrichment.

The contributions made by the employee include not only the actual work performance, but also the fulfilment of role expectations, commitment, identification, and support of the organizational culture. The employee's contribution to the organization's success is not limited to their own work.

SUMMARY

We can define motives as the driving factors behind human behavior. Motivation refers to the combination of multiple human motives, “bundled” into what can be referred to as a system.

When describing needs, we are generally referring to what gives rise to the desire to act. However, when we speak of incentives, we are referring to what can used to represent and invoke expectations.

In terms of fulfilling organizational goals, the targeted influencing of employees is generally referred to as motivation. Over the years, researchers have posited theories related to motivation. These various theories have tended to put an emphasis on the content of individuals’ motives or behaviors and the process of activating specific behaviors.

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