

In everyday life we are visiting places like bank, hospital, court, police station, insurance company, collector office, hotel etc. What can we see at such places? Three things can be seen at such places : (1) building (2) staff (3) machines. All these places are known as organization. These organization's have one building, staff members who work there and the instruments required depending on the type of the work. e.g., your school is an organization because it has a school building in which principal, teachers, clerks and servants are serving as staff members and they have blackboard, chalk, duster, computer, books, benches, fans etc for teaching.

Now the question comes to our mind is why do we build organizations? Answer to this question is that the aims and goals that a person in isolation (alone) cannot accomplish, for fulfilling those goals we need organizations. e.g., Post-office is an organization, the main function of the Post office is to deliver posts, parcels and to give financial services. Without any structure of postal departments all over the country is it possible to give such services to one or two persons? For this organization, like postal department is required. In this way in order to attain the goals of organization, group and individual, organizations have come into existence, which a single person alone cannot accomplish.

Meaning and Definition of Organization

Only building or infrastructure, staff and instruments can neither build organization nor run it. All the organizations provide some services. e.g., services like financial transactions are done by the banks, teaching by the school and public transportation by railways and road transport corporation. The main aim of these organizations is to provide best services. In order to attain such goals in the organization, coordination of individual and group efforts are required. Different individuals are assigned different work and in order to finish this work, they are given responsibilities, power and rights in proper amount. Every individual or group has a special role to play and is assigned special work also. In this way organization is a collective unit made up of various parts or divisions and roles. Every part or role does its special work but also work interdependently with other parts and work in a planned manner. The definition of an organization is as under:

An organization is a rational co-ordination of the individual or group efforts and activities for attainment of some commonly shared or agreed upon objectives and goals, through division of labour and functions, and through a hierarchy of power, authority and responsibility.

Organization is consciously compiled social unit, which is made up of two or more people, which continuously function to attain common goal or goals.

Robbins (1995)

Characteristics of Organizations

Following characteristics have been derived from the above given definition and meanings :

1. Common Goals: Each organization has set specific goals. People working in such organization, work with co-operation and co-ordination for the attainment of those goals. The work and the role of the each person might be different but all are trying to attain the common goal or goals of the organization e.g., one goal or aim of the post department is to deliver posts at the correct time and place.

2. Co-ordination of Efforts: For the attainment of the goals of the organization, co-ordination of efforts among the members of the organization is required. e.g., when we are sending one cover by speed post, in that process one staff member of the post office does the work of weighing the cover, stick the sticker and does the online registration. After that, other staff members distribute them area wise and put it in the bags

and at last the postman delivers the cover at the right address by taking their signature in return. When this process is over the information regarding post distribution is kept online.

3. Division of Labour: This characteristic is associated with the co-ordination of efforts only. Among the various functions of the organization, distribution of the work is possible through division of labour only. Such a division is based on the type of task a person is supposed to perform. Employees are assigned tasks on the basis of their abilities and skills and they are trained for their specific duties.

4. Responsibility and Authority: On the basis of co-ordination of efforts and division of labour, each individual is assigned certain duties and responsibilities. Attainment of goals depends upon the extent to which each individual fulfils his assigned responsibilities. In order to attain the goals of the organizations monitoring and controlling at the various level of organization is necessary, which means at every level, responsibility and rights are decided. Commonly in organization, there is a definite hierarchy of power and authority. Thus some members have more and others have less powers.

Functions of Organization

We have already seen that organization has come into existence in order to attain some goals. For attainment of the goal, co-ordination of the work in between the employees and clear distribution of work is very important e.g. we can also consider family as a social organization. In every family there are unwritten rules in which every member is supposed to do what type of work, how much liberty will be given and in absence of that member who will take that responsibility is clear. In the same way the work of the organization is also going on according to the specific structure and predefined rules. There are six main functions of the organization:

1. Work Specialization: Work specialization depends on the nature of the work. It can be seen in two ways: (1) Some task is being done exclusively by a single worker. (2) Some work is not done by a single person only, but it is divided into parts; each part of the work is done by a different worker. Due to work specialization, each worker becomes expert in only one part of the activity.

2. Departmentalization: On the basis of nature of the duties, tasks are grouped together which is known as departmentalization. e.g., a hospital can have departments of patient care, administration, accounting, rehabilitation, research etc. Such grouping gives the benefits of better co-ordination and efficiency in work and productivity.

3. Chain of Command : It is directly related to the hierarchy from top to bottom position, such line of authority clarifies who reports to whom. It tells the worker whom to contact if there is a danger or problem. Chain of commands includes two things : authority and unity of commands. (1) In authority command is being given and expectations regarding the following of the command is their right. (2) Unity of command suggests that a subordinate should have one and only one higher authority to whom he directly reports. If the chain or unity of command is broken, the subordinate has to face conflicting demands and commands from several superiors.

4. Span of Control The number of subordinates a manager can effectively and efficiently supervise is called span of control. If the span is too wide, the manager will be hard pressed for time and so will be unable to provide support and leadership to many subordinates. But if the span is too small the company will need many managers which will prove costly.

5. Centralization: Centralization-Decentralization level of an organization depends on the involvement of the employees in the functions of the organization. Centralization means the top managers make all the decisions and their subordinates merely carry out manager's directives. In decentralized organization all

employees connected with the task are given the power to decide. Each worker can take decision at his level. Thus power to decide is distributed. In decentralized organizations employees are given rights and steps are taken for the empowerment of them. But in order to get good results, decentralized arrangement system should be continuously evaluated. In this way centralization and decentralization directly affect the speed of decision and their implementation.

6. Formalization: In this type of system an employee gets least freedom in playing his role. Assigned task is to be done by the same method and uniformly every time. Then we can say formalization of the organization is being done. Such organizations follow definite rules and procedures. There are merits and demerits of formalization. The employee is not free to behave in alternative ways in merit, and the demerit is an employee is not able to work freely and independently in his own way.

Types of Organizational Structure

Once upon a time in a king's rule, some people were considered whole and sole. King himself was giving justice and had a right to give punishment also. The treasury of the state was flourished and finished by the orders of the king and this was carried out for generation to generation. With the rise of the democratic ruling system, a specific way of administration has been established for a state like huge organization or judicial system or courts like sub organizations. Now we can see many types of organizations. Structures of organization are of various types, which are given below :

1. Simple Structure: In this type of structure authority is centralized in one individual and formalization is minimal, such a structure is also called 'flat structure'.

Usually one individual is authority and some people are working under him. Where one family or a person is handling some industrial or business organization, this type of structure can be seen. Here both administrator and owner is the same person, employee's hierarchy of the position is almost nil. For example, a person who is having sales agency appoints some sales agents for selling the goods of his agency, and then, this type of organization is having simple structure. Here the owner of the sales agency is the owner and administrator of the organization. Appointed sales agents directly give report regarding their sale to the owner.

2. Bureaucratic Structure: Function of the organization runs according to laws, rules and regulations in a formal structure and work specification is known as a Bureaucratic structure. Here the rules regarding, who is supposed to do what type of work and what not to be done are fixed. Our majority government and semi government offices function according to bureaucratic structure. Here everyone is having specific responsibilities and power and on that basis chain of command is established. The liberty to take the decision by going out of the structure is very less. The biggest weakness of this structure is that it strictly adheres to rules, so when special case arises, which do not fit the rules, decisions are postponed. It is not possible to immediately make changes in the rules.

3. Matrix Structure: In the organizations where multiple complex and interdependent activities are conducted matrix structure is more effective. Usually college, university, hospital, advertising agencies adopt matrix structure. By effective give and take ideas, they convert the special resources of the company into special products. e.g., an institution with matrix structure has various functional departments like academic, administrative, library, teaching etc. It teaches various courses like B.A., B.Sc., B.Com., M.A., M.Sc., Ph.D. etc. which are its products, so members of this structure have a dual responsibility, one to their functional department and other to their product group. A lecturer who teaches Psychology subject is responsible to the students of B.A., M.A. (Psychology) and also responsible to the college Principal and head of the department.

This structure is successful in effective assignment of tasks to the specialists, but occasionally it may arouse conflict and power struggle between them.

Basic Functions of Managers

In any organization the able leadership is taken by the key persons, who take policy decisions, known as managers. e.g., trustees and principals of the school are the managers. Without managers no organization can function. A few basic functions of managers are as follows :

1. Planning: Organizations are created for attainment of certain goals. Responsibility of achieving those goals is of managers. Planning involves (i) defining goals, (ii) proposing the strategies and methods of attaining them, (iii) making detailed plan linking the various activities of the employee.

2. Organizing: This involves specifying and linking the different roles and responsibilities of the worker. e.g., clarification regarding who will do what kind of jobs? How to classify the jobs? Who will be accountable to whom? Who will take decisions? etc. All these questions and responsibilities connected with it is also specified.

3. Staffing (Appointing): Selecting and recruiting employee is also a responsibility of managers. For choosing right person for the right job requires job analysis and reliable method of selection. After appointing, for the further development of employees skill, training is also necessary.

4. Leadership: For attainment of organization's goals, co-ordination of various activities of members is also needed. For this the leaders of the organization provide able leadership, in which motivating the people after appointing them, directing them, developing the most effective methods of communication and evolving effective methods of handling conflict.

5. Controlling: After the organization's objectives and goals are determined, developmental plans are prepared, appropriate structure are set up, employees are selected and put to work, the task of coordinating their work and of making them perform as per the targets, still remains. If the employees fall short of their targets, it becomes the task of management to implement mechanisms to bring them back on the right track. This task is called controlling. Controlling involves comparing, evaluating and improving their performance. Control is achieved by rewarding good and punishing bad performance.

Manager's Role

All the managers of an organization have to play certain roles inside and outside the organization. The roles are classified into three categories :

1. Interpersonal Role: Managers have to remain in contact with people within and outside the organization. They have to provide leadership to their subordinates and also to perform the role of selecting, training and motivating them and also have to maintain discipline.

2. Informational Role: Managers need to get data and process information related to various aspects of organization's activity and get it analyzed and summarized. While interacting with people outside the organization, they have to play the role of a spokesperson.

3. Decisional Role: Managers also play the role of decision making occasionally. Organization has to choose alternative strategies for improving the work style of the managers and employees. They also have to find out novel ideas and initiate new tasks and methods. They decide about the required resources and the ways of obtaining them. Decision about allotment of the duties, and resources required for them are taken.

Selection of Personnel - Methods of Selection

In modern era of science and technology the style of working and its effectiveness keeps on changing continuously. Earlier education was believed as a key to success, but now along with the degree, the skills, attitude of the employee, his/her personality and its psycho-physical as well as psycho-social factors and his/her working patterns etc., affects his/her success and progress.

Modern psychology expects right man at the right job. For the success of various jobs strength, training and experience is necessary. In any organization or industrial house if all the work is done successfully, then that unit will be able to achieve its goals and also able to progress. Considering the different requirements for various roles, many methods are used for appropriate selection.

Various methods are used for the proper selection of the employee for different jobs, and according to time, situation and condition changes can be seen in it. Four widely used methods for selecting the personnel are as follows :

1. Application: Usually applications are invited by advertisements in the newspapers or through other sources. In the age of technology online applications are also expected. On the basis of the information given in the application form, they are called for the interview. In some application forms format of the application is fixed and for some posts the application can be sent in one's own way. Usually in application the information of the applicants like name, address, age, sex, contact no., email address, educational qualifications, work experience, special achievements and references of the people you know, are mentioned.

If application form is prepared on the basis of the norms standardized by research and analysis and interpretation is also done accordingly, then this application forms are useful. In 1957 Skoll prepared an application form for sales personal on the basis of his research. Dunnet and Metzolt also conducted a research for the employees who are kept for the particular seasonal work. Now the revised edition of value added application form seeking information regarding life description has come into existence, in which the relationship between the employee's history and his work efficiency is established.

2. Interview: Interview is the face to face conversation between two or more people. It is a very famous method for the selection of personnel. Interview is useful in predicting the decision about likes and dislikes and work success of an individual, if it is conducted by an expert and experienced interviewer who neutrally does the procedure. The success of the interview depends on the capability of the interviewee. In order to reduce that structured interview is being used. In this type of interview information regarding the individual with reference to their occupation is collected scientifically. In interview both the parties are trying to perceive each other. Many human related factors affect the interview process. Such factors are lack of rapport, prejudice, generalization etc. In order to remove the effect of subjective factors, or in order to control them, more than one interviewer will select the person if they all agree to it.

3. Written Tests: Through application and personal interview information regarding knowledge, experience, factors of personality of an individual is collected. But these methods also have limitations. For measuring the innate qualities of the applicants like, intelligence, logic, consistency, attitudes, aptitude, interest, creativity, devotion to work, morality, principles etc., written test is given. Through written tests and psychological tests objective and dimensional measurement is possible. To know about the personality factors and other merits of an individual, these type of tests are widely used. These types of tests are readily available and sometimes according to different professions new tests are developed. Usually before using these tests, its standardization, norms, reliability and validity should be checked.

4. Performance Stimulation Tests: Such tests are based on the information obtained by job analysis. Job analysis is a detailed description of the tasks involved in the job. In job analysis proficiency, abilities, attitudes and aptitude to do that work, level of capability etc. are decided. Job analysis also includes job description. Performance stimulation test represents the map of the actual work done at the work place. In this method there are two famous approaches:

(I) Work sampling (II) Assessment centers

(I) Work sampling: In work sampling a small model or replica is created and the applicant is asked to perform his task by observing those, predictions regarding capability of the person to do the work in the original work situation can be found out. e.g., if we are supposed to appoint a clerk in the office he is asked to work in the office where table, chair, papers, files, stamp, pen-pencil, computer etc. can be used and then asked to type a paper, stamp it and take the signature, post it and file the office copy. At given situation how many mistakes are done while typing, time taken for typing, his language, how he used the rubber stamp, what type of cover he choose, how punching is done, after filing the papers how he arranges the files on the table and after completing all these jobs how he arranges the things on the table, all these activities are observed and on the basis of that observation the work capability, competency and accuracy can be seen.

(II) Assessment Centers: Assessment centers are used for the selection of the managers. In assessment centers trained psychologists conduct a workshop in which realistic situations are presented in miniature form. A real organizational situation is created by exercises, discussions, management games, decision games and applicant is evaluated through these games. Such workshops have proved to be effective in assessing management potential and ability and predicting accurate managerial behaviour, which can be helpful in predicting their success.

Theories of Work Motivation:

In the above point selection of personnel, many methods for selecting a personnel have been discussed. If right person for the right job is selected then the employee will be able to give enough justice to the organization and organization also gets satisfied with the employee. For the satisfactory performance of the employee, we need to understand some motivational factors. If the employee working in the organization doesn't have job satisfaction or the work environment is unfavourable then employee will come and go frequently means if the employee does not continue the job for the long time, it is known as 'turn over'. Due to the lack of job satisfaction, turn over increases, work ability decreases, frustration and feeling of uselessness is experienced. The motivation of an employee depends on many factors, which are divided into two parts: (1) Physical motivation, (2) Social motivation. According to Guilford, 'motivation is a special internal situation

which initiates and maintain the activity'. Many theories have been given to explain human motivation. Some important theories are as under :

(1) Need theory, (2) Goal setting theory, (3) Reinforcement theory, (4) Equity theory, (5) Expectancy theory

1. Need Theory: At different age needs of the human being change. More the needs of an employee are satisfied more he will be encouraged to work. If we get the idea of the employee's needs and if we are able to satisfy them at the correct time and in the correct way, we can increase the satisfaction of an employee. In 1943 Abraham Maslow has given the theory of 'Hierarchy of Needs', in which rank is being given from basic physical needs to self-actualization according their importance. Starting from the basic needs efforts are made to satisfy the higher order needs, then it is possible to increase the job satisfaction of the employee.

2. Goal setting Theory: Man is an intelligent social animal. None of the behaviour of humans is aimless, which means after every behaviour there is a specific goal. When we start an activity to attain certain goals and when we actually accomplish those goals, we feel happy and satisfied. After that individual decide to attain higher goals and try to acquire them. Various goals only provide motivation to the person. First of all one should decide the goals of our life and have to decide the direction and activities to accomplish those goals. In this way a person is gradually given higher goals to attain and accomplishment of the lower level goals will motivate to achieve higher and better goals.

3. Reinforcement Theory: Strengthening the expected behaviour and weakening unwanted behaviour is known as 'Reinforcement'. Usually the positive reinforcement after any activity motivate to work. In the theories given by Pavlov and Skinner we have seen that, in order to increase and improve workability of an employee, whenever he does any expected, profitable, appropriate activity at that time if we give reinforcement the attitude of doing such activities become firm. e.g., if an employee doesn't take leave and gets the cash as a reward for that leave, then this cash reinforcement will motivate the employee not to take leave. Reinforcement can be in the form of financial benefit, honour, praise or promotion in the job.

4. Equality Theory: A person can never tolerate injustice and accept the theory of equality. Every individual expect that those who work in equal amount should be given equal rights, any type of discrimination among employees who does the same amount of work, reduces the work motivation. e.g., in a company 3 employees are working for eight years and all of them are given 5 percent salary hike every year, then all the employees are happy. But in the ninth year if one employee is given 15% raise and other two are given 5% raise then one person will have positive effect and other two will have negative effect of that decision.

5. Expectancy Theory: In Bhagwad Gita Shri Krishna rightly said "Keep on doing the work (Karma), do not expect the result", but for human being it is difficult to implement it. Every individual does any activity or behaviour and as a result of that some outcomes or results are expected. And when as a result of that activity or behaviour whatever expectation they have kept are satisfied then a person will get job satisfaction. e.g., when one employee is asked to come to the office on a holiday, he feels that his holiday is being spoiled, but cannot say no to the boss. But after the work when he is going back home in the evening he gets the regular salary plus one day allowance as per his pay extra, then his expectations are completed. So now if he is called again on a holiday he will happily go for the job.

Many administrators of different institutions make use of the theory of motivation in order to understand the motivation of the employee and give satisfaction to them. This may lead to increase job capability, job satisfaction and positive attitude towards the organization. So the employee will work for the organization for a longer period of time, and because of which employee and organization both will be benefitted.

Training and Performance Appraisal : As seen above we can say that, by using the appropriate objective scientific methods for the selection of personnel, we can appoint right man at the right job. If needs of an employee are satisfied, then it will have a positive effect on the work efficiency of an employee. All employees are not successful always, at that time they should be given special education through training. Sometimes in order to improve the style of working, training is required.

Training is such a process through which the abilities corresponding their job develop. As a result of effective training programme increase in the production, reduction of employee's turnover and increase in the job satisfaction takes place.

- Milton Blum

Training not only leads to the financial benefits but due to that proper methods of working develops, reduces the wastage of raw material, ability to make proper use of the instruments increase, and in turn reduces the accidents. Tiffin and Mc. Cormick describes the three aims of training : (1) Develop strength, (2) Giving information, (3) Bringing change in the interest and attitude of an employee.

According to Ghiselli and Brown the planning of training the employee should be done by taking into consideration both, the need of an employee and the need of an organization. Usually some methods used for training are lecture, discussion, meeting, conference, role play, movies, direction, games, interview etc.

In today's modern competitive era the outcome of the work done is important, same way the measurement of effect of training is also important. By the measurement of work ability we can find out the effect of training on it. Any industrial group keep on evaluating the employee's work ability and job activities and it should be done at regular intervals. On the bases of evaluation and progress report he/she should get appreciation for his good positive qualities. Employee should be appreciated through awards and certificates. Evaluation should be objective, neutral and free from biases, prejudice and mistakes.

Marketing and Advertising: The main aim of any industry is to earn profit through selling. Selling is an art and the psychologist should pay attention to it. According to an ancient view through various remedies of selling, we can divert the buyers in the expected direction, which means the stress was put on the inactiveness of the buyer. According to modern view point the vendors or sellers should recognize the necessity, demand and selection of the customer, and should try to satisfy them. Paterson and Right (1961) say that selling proficiency is such a process in which the seller decides the requirement and demand of the customer and excite them. According to Seagull and Lane the sellers of the produced goods are divided into various classes like wholeseller, retailer and the distributors who approach the buyers. For becoming good distributor, following characteristics are required:

(1) Personality, (2) Continuous hardwork, (3) Self-confidence and self-control, (4) Honesty, (5) Command on language, (6) Humorous nature, (7) Practical and (8) Softspoken.

In the view of common man advertisement means propaganda. According to industrial psychology "Advertisement means giving information to the public regarding the use of the produced goods or the services given in such a way that its usage will increase in comparison to other goods". Requirement and interest in the product is produced by an advertisement and then change is brought. Four factors are important for the effectiveness of an advertisement: (1) What to say? (2) How to say? (3) When and by whom should be said? (4) What type and which advertisements are effective?

In order to make an advertisement effective, the importance of medium of advertisement should be taken care of. The instrument through which advertisements are spread out is known as a medium of advertisement. Usually newspaper, magazines, television, movies, mobile phones, computer, Email, SMS, what's app, facebook etc. are modern medium of advertisement. For the effectiveness of the advertisement, along with the medium, the selection of the correct time is also important.

We have discussed in detail, that many factors are responsible for the success of industrial organizations. If all above factors are taken care of, then it proves the application aspect of psychology.

Exercises

Section – A

Answer the question by selecting a correct option from below.

- 1) From the below options which is not a characteristic of an organization ?
(a) Common goal (b) Co-ordination of efforts
(c) Lack of services (d) Responsibility and authority
- 2) Grouping of the work in its appropriate unit depending on the nature of the work is known as
(a) Organization (b) labour (c) Departmentalization (d) Work specialization
- 3) In the organization where all the decisions are taken by the higher authority and the persons working under them are supposed to follow them is known as :
(a) Centralization (b) Decentralization (c) Formalization (d) Division of labour
- 4) The type of the structure in which a single person is holding the position of both owner and manager is known as
(a) Bureaucratic structure (b) Simple structure (c) Matrix structure (d) Propaganda
- 5) From the options given below which is the fundamental work of a manager ?
(a) Planning (b) Co-ordination (c) Leadership (d) Experiment
- 6) Face to face conversation between two or more person is known as :
(a) Observation (b) Survey (c) Interview (d) Experiment
- 7) Which of the following methods is not included in the methods used for selection of an employee ?
(a) Application (b) Interview (c) Influence (d) Written test
- 8) Assessment centers are used for the selection of
(a) Employee (b) Manager (c) Salesman (d) Customer
- 9) What provides force to the likely behaviour?
(a) Reinforcement (b) Motivation (c) Object (d) Customer
- 10) Through which instruments the advertisement spread are known as :
(a) Medium (b) Market (c) Object (d) Customer

Section – B

Answer the following questions in one line :

- 1) Write the characteristics of an organization.
- 2) State the two ways of work specialization.

- 3) Show the advantage of specialization.
- 4) What is bureaucratic structure?
- 5) What do we mean by 'departmentalizing' as a function of manager?
- 6) State methods of selection of personnel.
- 7) What do we mean by work analysis?
- 8) What is turnover?
- 9) Who has given the theory of 'need hierarchy'?
- 10) State the three goals of training.

Section – C

Answer the following question in brief (In 30 words) :

- 1) Give the definition of an organization.
- 2) What do we mean by division of labour?
- 3) What is centralization?
- 4) When does the matrix structure become effective?
- 5) Explain information role.
- 6) Which information of an applicant is included in the application form?
- 7) What is work sampling test?
- 8) State the theories of work motivation.
- 9) Define training.
- 10) Which factors become judgmental for the effectiveness of an advertisement?

Section – D

Answer the question point wise (50 words) :

- 1) Explain responsibility and authority.
- 2) Explain matrix structure.
- 3) State the basic functions of a manager and explain any two.
- 4) Explain decisional roles.
- 5) Describe interpersonal role.
- 6) Explain written test.
- 7) Explain the equality theory.
- 8) Explain need theory.
- 9) What is work direction?
- 10) Explain expectancy theory.

Section – E

Answer the question in detail (80 words) :

- 1) Explain the basic functions of a manager.
- 2) Explain manager's role.
- 3) Explain functions of an organization.
- 4) Explain training and performance appraisal.
- 5) Explain marketing and advertisement.

