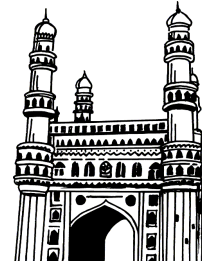


Rahul's ✓
Topper's Voice

AS PER
CBCS SYLLABUS








M.Com.

I Semester

(All Universities in Telangana)

LATEST EDITION
2018 - 2019

ORGANISATION THEORY AND BEHAVIOUR

-  **Study Manual**
-  **Short Question & Answers**
-  **Choose the Correct Answers**
-  **Fill in the blanks**
-  **Solved Previous Papers**

Price
₹ 169-00

- by -

WELL EXPERIENCED LECTURER



Rahul Publications™

Hyderabad. Ph : 66550071, 9391018098

All disputes are subjects to Hyderabad Jurisdiction only

M.Com.

I Semester

(All Universities in Telangana)

ORGANISATION THEORY AND BEHAVIOUR

Inspite of many efforts taken to present this book without errors, some errors might have crept in. Therefore we do not take any legal responsibility for such errors and omissions. However, if they are brought to our notice, they will be corrected in the next edition.

© No part of this publications should be reporduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording and/or otherwise without the prior written permission of the publisher

Price ₹ 169-00

Sole Distributors :

☎ : 66550071, Cell : 9391018098

VASU BOOK CENTRE

Shop No. 3, Beside Gokul Chat, Koti, Hyderabad.

Maternity Hospital Opp. Lane, Narayan Naik Complex, Koti, Hyderabad.

Near Andhra Bank, Subway, Sultan Bazar, Koti, Hyderabad -195.

C O N T E N T S

ORGANISATION THEORY AND BEHAVIOUR

STUDY MANUAL

Frequently Asked and Important Questions	I - IX
Unit - I	1 - 53
Unit - II	54 - 101
Unit - III	102 - 139
Unit - IV	140 - 195
Unit - V	196 - 233
Short Question & Answers	234 - 253
Choose the correct Answers	254 - 258
Fill in the blanks	259 - 263

SOLVED PREVIOUS QUESTION PAPERS

January - 2018	264 - 265
June - 2016	266 - 267
December - 2015	268 - 270
Nov./Dec., - 2014	271 - 281
Nov./Dec., - 2013	282 - 294
Nov./Dec., - 2012	295 - 300

SYLLABUS

UNIT - I

INTRODUCTION : Organization: Definition – Organisation Theories: Classical Theory- Features – limitations. Neoclassical Theory – features – limitations. Contemporary Organisation Theory – features- limitations. Systems Approach – Contingency Approach.

Organisational Behaviour (OB): Features – Scope – Fundamentals Concepts of OB – Challenges and Career Development for OB – Contributing disciplines to the OB.

UNIT - II

UNDERSTANDING INDIVIDUAL AND GROUP BEHAVIOUR : Individual Behaviour: Personality Determinants – Big five Personality factors – Learning Theories. The Perceptual Process – Factors influencing perception – Internal & External; Attitudes and Behaviour- Attitude Formation and Attitude Change.

Group Behaviour: Fundamentals of Groups – Stages of Development- Important Factors influencing Team Effectiveness – Cohesiveness – Norms – Decision Making.

UNIT - III

MOTIVATION, MORALE AND CULTURE : Motivation: Theories of Motivation – Motivational Processes - Content Theories (Maslow, Herzberg, McClelland) – Process Theories (Adam, Victor, Vroom and Lawler and Porter) – Learning and Reinforcement Theory.

Morale: Factors influencing Morale.

Organisational Culture: Concepts – Forming a Culture – Sustaining a Culture – Changing a Culture.

UNIT - IV

ORGANISATIONAL POWER & POLITICS - CONFLICT - COMMUNICATION : Power and Politics: Power Bases – Dependency – Individual Versus Organisational Power – Political process in Organisation – Factors contributing – Techniques of Organisational Politics – Managing Political Behaviour.

Conflict: Transition in Conflict Thought – Functional and Dysfunctional Conflict – Process of Conflict – Managing Conflict.

Communication: Significance – Process – Formal and Informal Communication – Barriers to communication – Improving Communication Skills – The Human Impact of Computer – Mediated Communication.

UNIT - V

LEADERSHIP AND CHANGE : Leadership: Introduction – Leadership and Management – Leadership Styles.

Theories of Leadership: Traits – Behavioral Model (Managerial Grid) – Contingency (Feilder, Path goal, Tri-dimensional – Inspirational approaches.

Change: Challenges contributing to Change – Types of Change Approaches – Contemporary Issues in Change.

Frequently Asked and Important Questions

UNIT - 1

1. Distinguish between classical and neo classical theories of organization
(June-16, Dec-16, Nov-12)

Ans :

Ref : Unit - I, Topic-11.6, 11.12

2. Explain the contributing disciplines to the field of organization behaviour
(Jan-16, Dec-13,)

Ans :

Ref : Unit - I, Topic-1.2.7

3. Define organizational behaviour concepts feat was scope of organizational behaviour and fundamental ?
(June-16, Dec-14,12)

Ans :

Ref : Unit - I, Topic-1.2, 12.4

4. Define the contingency approach to organization theory. (Jan-18)

Ans :

Ref : Unit - I, Topic-1.1.29

5. Explain briefly scientific management theory. (IMP)

Ans :

Ref : Unit - I, Topic 1.1.8, 1.11

UNIT - 2

1. What is group cohesiveness? Discuss the factors influencing group cohesiveness
(Dec-15,14)

Ans :

Ref : Unit - II, Topic-2.6

2. Define group behaviour. Discuss the fundamental and stages of group development
(Jan-18, Dec-13,13)

Ans :

Ref : Unit - II, Topic-2.4,2.4.4, 2.5.1

3. Define personality. Describe the determinant of personality?

(Jan-16, Dec-12)

Ans :

Ref : Unit - II, Topic-2.1.3, 2.1.4

4. Attitude once form they cannot be changed comment.

(Jan-18, Dec-13)

Ans :

Ref : Unit - II, Topic-2.3.4, 2.3.5, 2.3.7

5. Define perception and also explain the process involved in it.

(Dec-15)

Ans :

Ref : Unit - II, Topic 2.2.2

UNIT - 3

1. What is organizational culture? Discuss how organisational culture can be developed

(Dec-18,15, June-16)

Ans :

Ref : Unit - III, Topic-3.6.1, 3.6.2

2. Explain Herzberg and Maslow need theory of motivation.

(Dec-18,15,12)

Ans :

Ref : Unit - III, Topic-3.2.2, 3.2.3

3. Write a critical note on VROOM's expectancy theory of motivation. (June-16)

Ans :

Ref : Unit - III, Topic-3.3.3

4. Explain the various managerial implications of perceptions.

(Dec-14)

Ans :

Ref : Unit - III, Topic-2.2.3, 2.2.4

5. Describe the positive and negative aspect of culture.

(Dec-13)

Ans :

Ref : Dec-13, Q-8(a)

UNIT - 4

1. Explain the process of communication in an organisation. **(Jan-18,Dec-15)**

Ans :

Ref : Unit - IV, Topic-4.3.6

2. How do you manage conflict in organisation. **(Jan-18,16,Dec-15,12)**

Ans :

Ref : Unit - IV, Topic-4.1.1, 4.13

3. Discuss the major factors that influencing the organizational. **(June-16,Dec-13)**

Ans :

Ref : Unit - IV, Topic-4.1.10

4. What is meant by power ? Discuss the basis of power. **(Dec-12)**

Ans :

Ref : Unit - IV, Topic-4.1.1, 4.1.3

5. List out various bassiees of effective communication. **(Dec-15)**

Ans :

Ref : Unit - IV, Topic-4.3.5, 4.3.6

UNIT - 5

1. Do you think democratic style of leadership is the best leadership? Discuss.
(Jan-18,June-16,Dec-15,14)

Ans :

Ref : Unit - V, Topic-5.2

2. Explain the external forces driving changes in organization with suitable example.
(Dec-15)

Ans :

Ref : Unit - V, Topic-5.3.2

3. Bring out clearly the contemporary issue in change. **(Dec-13,12)**

Ans :

Ref : Dec-13, Q-10(a)

4. Enumerate different types of changes explain why changes is resisted **(Dec-15,14)**

Ans :

Ref : Unit - V, Topic-5.3.1, 5.3.2

5. Why people resis for changes? Suggest measures for effective implementation of changes among the Indian work force. **(June-16)**

Ans :

Ref : Unit - V, Topic-5.31, 5.3.2

UNIT I

INTRODUCTION : Organization: Definition – Organisation Theories: Classical Theory- Features – limitations. Neoclassical Theory – features – limitations. Contemporary Organisation Theory – features- limitations. Systems Approach – Contingency Approach.

Organisational Behaviour (OB): Features – Scope – Fundamentals Concepts of OB – Challenges and Career Development for OB – Contributing disciplines to the OB.

1.1 INTRODUCTION OF ORGANISATION

1.1.1 Meaning of Organisation

Organisation is the foundation upon which the whole structure of management is built. Organisation is related with developing a frame work where the total work is divided into manageable components in order to facilitate the achievement of objectives or goals. Thus, organisation is the structure or mechanism (machinery) that enables living things to work together. In a static sense, an organisation is a structure or machinery manned by group of individuals who are working together towards a common goal.

Alike ‘management’, the term ‘organisation’ has also been used in a number of ways. Broadly speaking, the term ‘organisation’ is used in four different senses: as a process, as a structure of relationship, as a group of persons and as a system, as given below:

- 1. Organisation as a Process:** In this first sense, organisation is treated as a dynamic process and a managerial activity which is essential for planning the utilization of company’s resources, plant an equipment materials, money and people to accomplish the various objectives.
- 2. Organisation as a Framework of Relationship:** In the second sense organisation refers to the structure of relationships and among position jobs which is created to release certain objectives. The definitions of Mooney and Reily, “Organisation is the form of every human association for the attainment of a common purpose.”
- 3. Organisation as a Group of persons:** In the third sense, organisation is very often viewed as a group of persons contributing their efforts towards certain

goals. Organisation begins when people combine their efforts for some common purpose. It is a universal truth that an individual is unable ability and resources. Barnard has defined 'Organisation' as an identifiable group of people contributing their efforts towards the attainment of goals.

- 4. Organisation as a System:** In the fourth sense, the organisation is viewed as system. System concepts recognize that organizations are made up of components each of which has unique properties, capabilities and mutual relationship. The constituent element of a system are linked together in such complex ways that actions taken by one producer have far reaching effect on others.

In short, organizing is the determining, grouping and arranging of the various activities deemed necessary for the attainment of the objectives, the assigning of people to those activities, the providing of suitable physical factors of environment and the indicating of the relative authority delegated to each individual charged with the execution of each respective activity.

1.1.2 Definitions of Organisation

Different authors have defined organisation in different ways. The main definitions of organisation are as follows :

According to Keith Davis, "Organisation may be defined as a group of individuals, large or small, that is cooperating under the direction of executive leadership in accomplishment of certain common object."

According to Chester I. Barnard, "Organisation is a system of co-operative activities of two or more persons."

According to Louis A. Allen, "Organisation is the process of identifying and grouping the work to be performed, defining and delegating responsibility and authority, and establishing relationship for the purpose of enabling people to work most effectively together in accomplishing objectives."

According to Mooney and Railey, "Organisation is the form of every human association for the attainment of a common purpose."

1.1.3 Characteristics / Features of Organisation

The main characteristics or Features of organisation are as follows:

- 1. Outlining the Objectives:** Born with the enterprise are its long-life objectives of profitable manufacturing and selling its products. Other objectives must be

established by the administration from time to time to aid and support this main objective.

- 2. Identifying and Enumerating the Activities:** After the objective is selected, the management has to identify total task involved and its break-up closely related component activities that are to be performed by an individual or division or a department.
- 3. Assigning the Duties:** When activities have been grouped according to similarities and common purposes, they should be organized by a particular department. Within the department, the functional duties should be allotted to particular individuals.
- 4. Defining and Granting the Authority:** The authority and responsibility should be well defined and should correspond to each other. A close relationship between authority and responsibility should be established.
- 5. Creating Authority Relationship:** After assigning the duties and delegations of authority, the establishment of relationship is done. It involves deciding who will act under whom, who will be his subordinates, what will be his span of control and what will be his status in the organisation. Besides these formal relationships, some informal organizations should also be developed.

1.1.4 Importance / Need / Advantages / Significance of Organisation

The well-known industrialist of U.S.A. late Andrew Carnegie, when sold his famous 'United State Steel Corporation', showed his confidence in organisation by uttering the following words, "Take away our factories, take away our trade, our avenues of transportation, our money, leave nothing but our organisation, and in four years, we shall re-established ourselves." Since ages and in every walk of life, organisation has been playing a vital role. The significance or main advantages of organisation are as follows :

- 1. It Facilitated Administration and management:** Organisation is an important and the only tool to achieve enterprise goals set by administration and explained by management. A sound organisation increases efficiency, avoids delay and duplication of work, increases managerial efficiency, increases promptness, motivates employees to perform their responsibility.
- 2. It Help in the Growth of Enterprise:** Good organisation is helpful to the growth, expansion and diversifications of the enterprise.

- 3. It Ensures Optimum Use of Human Resources:** Good organisation establishes persons with different interests, skills, knowledge and viewpoints.
- 4. It Stimulates Creativity:** A sound and well-conceived organisation structure is the source of creative thinking and initiation of new ideas.
- 5. A Tool of Achieving Objectives:** Organisation is a vital tool in the hands of the management for achieving set objectives of the business enterprise.
- 6. Prevents Corruption:** Usually corruption exists in those enterprises which lack sound organisation. Sound organization prevents corruption by raising the morale of employees. They are motivated to work with greater efficiency, honesty and devotion.
- 7. Co-ordination in the Enterprises:** Different jobs and positions are welded together by structural relationship of the organisation. The organizational process exerts its due and balanced emphasis on the co-ordination of various activities.
- 8. Eliminates Overlapping and Duplication or work:** Over lapping and duplication of work exists when the work distribution is not clearly identified and the work is performed in a haphazard and disorganized way. Since a good organisation demands that the duties be clearly assigned amongst workers, such overlapping and duplication is totally eliminated.

1.1.5 Types of Organisational Structures

All managers must bear that there are two organisations they must deal with-one formal and the other informal.

The formal organisation is usually delineated by an organisational chart and job descriptions. The official reporting relationships are clearly known to every manager.

Alongside the formal organisation exists an informal organisation which is a set of evolving relationships and patterns of human interaction within an organisation that are not officially prescribed.

1.1.5.1 Formal organisational

Formal organisational structures are categorised as :

- i) Line organisational structure.
- ii) Staff or functional authority organisational structure.
- iii) Line and staff organisational structure.
- iv) Committee organisational structure.

- v) Divisional organisational structure.
- vi) Project organisational structure.
- vii) Matrix organisational structure and
- viii) Hybrid organisational structure.

1. Line Organisational Structure

A line organisation has only direct, vertical relationships between different levels in the firm. There are only line departments-departments directly involved in accomplishing the primary goal of the organisation. For example, in a typical firm, line departments include production and marketing. In a line organisation authority follows the chain of command.

Features

Has only direct vertical relationships between different levels in the firm.

Advantages

1. Tends to simplify and clarify authority, responsibility and accountability relationships
2. Promotes fast decision making
3. Simple to understand.

Disadvantages:

1. Neglects specialists in planning
2. Overloads key persons.

Some of the advantages of a pure line organisation are :

- i) A line structure tends to simplify and clarify responsibility, authority and accountability relationships. The levels of responsibility and authority are likely to be precise and understandable.
- ii) A line structure promotes fast decision making and flexibility.
- iii) Because line organisations are usually small, managements and employees have greater closeness.

However, there are some disadvantages also. They are:

- i) As the firm grows larger, line organisation becomes more ineffective.

- ii) Improved speed and flexibility may not offset the lack of specialized knowledge.
- iii) Managers may have to become experts in too many fields.
- iv) There is a tendency to become overly dependent on the few key people who perform numerous jobs.

2. Staff or Functional Authority Organisational Structure

The jobs or positions in an organisation can be categorized as :

- i) **Line position** : a position in the direct chain of command that is responsible for the achievement of an organisation's goals and
- ii) **Staff position** : A position intended to provide expertise, advice and support for the line positions.

The line officers or managers have the direct authority (known as line authority) to be exercised by them to achieve the organisational goals. The staff officers or managers have staff authority (i.e., authority to advise the line) over the line. This is also known as functional authority.

An organisation where staff departments have authority over line personnel in narrow areas of specialization is known as functional authority organisation. In the line organisation, the line managers cannot be experts in all the functions they are required to perform. But in the functional authority organisation, staff personnel who are specialists in some fields are given functional authority (The right of staff specialists to issue orders in their own names in designated areas).

The principle of unity of command is violated when functional authority exists i.e., a worker or a group of workers may have to receive instructions or orders from the line supervisor as well as the staff specialist which may result in confusion and the conflicting orders from multiple sources may lead to increased ineffectiveness. Some staff specialists may exert direct authority over the line personnel, rather than exert advice authority (for example, quality control inspector may direct the worker as well as advise in matters related to quality).

While this type of organisational structure overcomes the disadvantages of a pure line organisational structure, it has some major disadvantages:

They are :

- i) the potential conflicts resulting from violation of principle of unity of command and
- ii) the tendency to keep authority centralized at higher levels in the organisation.

3. Line and Staff Organisational Structure

Most large organisations belong to this type of organisational structure. These organisations have direct, vertical relationships between different levels and also specialists responsible for advising and assisting line managers. Such organisations have both line and staff departments. Staff departments provide line people with advice and assistance in specialized areas (for example, quality control advising production department).

The line functions are production and marketing whereas the staff functions include personnel, quality control, research and development, finance, accounting etc. The staff authority of functional authority organisational structure is replaced by staff responsibility so that the principle of unity of command is not violated.

Three types of specialized staffs can be identified :

- i) Advising,
- ii) Service and
- iii) Control.

Some staffs perform only one of these functions but some may perform two or all the three functions. The primary advantage is the use of expertise of staff specialists by the line personnel. The span of control of line managers can be increased because they are relieved of many functions which the staff people perform to assist the line.

Some advantages are :

- i) Even through a line and staff structure allows higher flexibility and specialization it may create conflict between line and staff personnel.
- ii) Line managers may not like staff personnel telling them what to do and how to do it even though they recognize the specialists' knowledge and expertise.
- iii) Some staff people have difficulty adjusting to the role, especially when line managers are reluctant to accept advice.

- iv) Staff people may resent their lack of authority and this may cause line and staff conflict.

Features

1. Line and staff have direct vertical relationship between different levels.
2. Staff specialists are responsible for advising and assisting line managers/officers in specialized areas.
3. These types of specialized staff are (a) Advisory, (b) Service, (c) Control e.g.,
 - a) Advisory :** Management information system, Operation Research and Quantitative Techniques, Industrial Engineering, Planning etc
 - b) Service :** Maintenance, Purchase, Stores, Finance, Marketing.
 - c) Control :** Quality control, Cost control, Auditing etc.

Advantages

- i) Use of expertise of staff specialists.
- ii) Span of control can be increased
- iii) Relieves line authorities of routine and specialized decisions.
- iv) No need for all round executives.

Disadvantages

- i) Conflict between line and staff may still arise.
- ii) Staff officers may resent their lack of authority.
- iii) Co-ordination between line and staff may become difficult.

4. Committee Organisational Structure**Features**

- a) Formed for managing certain problems/situations
- b) Are temporary decisions.

Advantages:

1. Committee decisions are better than individual decisions
2. Better interaction between committee members leads to better co-ordination of activities.

3. Committee members can be motivated to participate in group decision making.
4. Group discussion may lead to creative thinking.

Disadvantages:

1. Committees may delay decisions, consume more time and hence more expensive.
2. Group action may lead to compromise and indecision.
3. 'Buck passing' may result.

5. Divisional Organisational Structure

In this type of structure, the organisation can have different basis on which departments are formed. They are :

- i) Function,
- ii) Product,
- iii) Geographic territory,
- iv) Project and
- iv) Combination approach.

6. Project Organisational Structure

The line, line and staff and functional authority organisational structures facilitate establishment and distribution of authority for vertical coordination and control rather than horizontal relationships. In some projects (complex activity consisting of a number of interdependent and independent activities) work process may flow horizontally, diagonally, upwards and downwards. The direction of work flow depends on the distribution of talents and abilities in the organisation and the need to apply them to the problem that exists. The cope up with such situations, project organisations and matrix organisations have emerged.

A project organisation is a temporary organisation designed to achieve specific results by using teams of specialists from different functional areas in the organisation. The project team focuses all its energies, resources and results on the assigned project. Once the project has been completed, the team members from various cross functional departments may go back to their previous positions or may be assigned to a new project. Some of the examples of projects are:

research and development projects, product development, construction of a new plant, housing complex, shopping complex, bridge etc.

Feature

Temporary organisation designed to achieve specific results by using teams of specialists from different functional areas in the organisation.

Importance of Project Organisational Structure. Project organisational structure is most valuable when :

- i) Work is defined by a specific goal and target date for completion.
- ii) Work is unique and unfamiliar to the organisation.
- iii) Work is complex having independent activities and specialized skills are necessary for accomplishment.
- iv) Work is critical in terms of possible gains or losses.
- v) Work is not repetitive in nature.

Characteristics of project organisation

- 1. Personnel are assigned to a project from the existing permanent organisation and are under the direction and control of the project manager.
- 2. The project manager specifies what effort is needed and when work will be performed whereas the concerned department manager executes the work using his resources.
- 3. The project manager gets the needed support from production, quality control, engineering etc. for completion of the project.
- 4. The authority over the project team members is shared by project manager and the respective functional managers in the permanent organisation.
- 5. The services of the specialists (project team members) are temporarily loaned to the project manager till the completion of the project.
- 6. There may be conflict between the project manager and the departmental manager on the issue of exercising authority over team members.
- 7. Since authority relationships are overlapping with possibilities of conflicts, informal relationships between project manager and departmental managers (functional managers) become more important than formal prescription of authority.
- 8. Full and free communication is essential among those working on the project.

7. Matrix Organisational Structure

It is a permanent organisation designed to achieve specific results by using teams of specialists from different functional areas in the organisation.

Feature. Superimposes a horizontal set of divisions and reporting relationships onto a hierarchical functional structure

Advantages

1. Decentralised decision making.
2. Strong product/project co-ordination.
3. Improved environmental monitoring.
4. Fast response to change.
5. Flexible use of resources.
6. Efficient use of support systems.

Disadvantages

1. High administration cost.
2. Potential confusion over authority and responsibility.
3. High prospects of conflict.
4. Overemphasis on group decision making.
5. Excessive focus on internal relations.

This type of organisation is often used when the firm has to be highly responsive to a rapidly changing external environment.

In matrix structures, there are functional managers and product (or project or business group) managers. Functional manager are in charge of specialized resources such as production, quality control, inventories, scheduling and marketing. Product or business group managers are incharge of one or more products and are authorized to prepare product strategies or business group strategies and call on the various functional managers for the necessary resources.

The problem with this structure is the negative effects of dual authority similar to that of project organisation. The functional managers may lose some of their authority because product managers are given the budgets to purchase internal resources. In a matrix organisation, the product or business group managers

and functional managers have somewhat equal power. There is possibility of conflict and frustration but the opportunity for prompt and efficient accomplishment is quite high.

8. Hybrid Organisational Structure

1. Alignment of corporate and divisional goals.
2. Functional expertise and efficiency.
3. Adaptability and flexibility in divisions.

Disadvantages

1. Conflicts between corporate departments and units.
2. Excessive administration overhead.
3. Slow response to exceptional situations.

Uses :

Used in organisations that face considerable environmental uncertainty that can be met through a divisional structure and that also required functional expertise or efficiency

This type of structure is used by multinational companies operating in the global environment, for example, International Business Machines USA. This kind of structure depends on factors such as degree of international orientation and commitment. Multinational corporations may have their corporate offices in the country of origin and their international divisions established in various countries reporting to the CEO or president at the headquarters. The international divisions or foreign subsidiaries may be grouped into regions such as North America, Asia, Europe etc. and again each region may be subdivided into countries within each region.

While the focus is on international geographic structures, companies may also choose functional or process or product departmentation in addition to geographic pattern while at the head quarter's the departmentation may be based on function.

1.1.5.2 The Informal Organisation

An informal organisation is the set of evolving relationships and patterns of human interaction within an organisation which are not officially presented. Alongside the formal organisation, an informal organisation structure exists which consists

of informal relationships created not by officially designated managers but by organisational members at every level. Since managers cannot avoid these informal relationships, they must be trained to cope with it

The informal organisation has the following characteristics :

- i) Its members are joined together to satisfy their personal needs (needs for affiliation, friendship etc.)
- ii) It is continuously changing :
 - The informal organisation is dynamic.
- iii) It involves members from various organisational levels.
- iv) It is affected by relationship outside the firm.
- v) It has a pecking order: certain people are assigned greater importance than others by the informal group.

Even though an informal organisational structure does not have its own formal organisational chart, it has its own chain of command:

Benefits of Informal Organisation

- i) Assists in accomplishing the work faster.
- ii) Helps to remove weakness in the formal structure.
- iii) Lengthens the effective span of control.
- iv) Compensation for violations of formal organisational principles.
- v) Provides an additional channel of communication.
- vi) Provides emotional support for employees.
- vii) Encourages better management.

Disadvantages of informal organisation

- i) May work against the purpose of formal organisation.
- ii) Reduces the degree of predictability and control.
- iii) Reduces the number of practical alternatives.
- iv) Increases the time required to complete activities.

1.1.6 Relation to other Classical Theories

Scientific Management theory was developed during roughly the same time as Bureaucracy and Administrative theory. All three streams of thought are complementary; they have common view about the nature of man and his organisation. All emphasize specialisation and organisational structure based on hierarchy.

Haire has identified the chief characteristics of classical theory as follows :

1. Classical organisation theory is built on an accounting model.
2. It maximises neatness and model.
3. It puts special emphasis on error and particularly on the detection of error and its correction after it has happened.
4. This approach to the organisation is the classical embodiment of the extra pair of hands concept.
5. In designing the jobs and in picking these extra pairs of hands, classical organisation theory assumes man to be relatively homogeneous and relatively unmodifiable.
6. Classical organisation theory's another tenet is that the stability of the employees - stability in the sense of minimising change within the employees is a goal.
7. Classical organisation theory is in its essential character centralised.
8. The integration of the system is achieved through the authority and control of the central mechanism.

The streams of classical theory are :

Approach	Rationale	Focus
Scientific management	One best way to do each job	job level
Administrative principles	One best way to put an organisation together.	Organisational level
Bureaucratic organisation	Rational and impersonal organisational arrangements	Organisational level

Table : A Brief Overview of Classical Theories

The administrative management theorists tended to carry their analysis, at least at the level of wisdom and insight, beyond the boundaries set by their formal models.

The main features of administrative management theorists can be analysed under 4 broad categories :

1. Division of work
2. Departmentalisation
3. Co-ordination
4. Human behaviour in the organisation.

1. Division of work

The division of work implies that work must be divided to obtain a clear-cut specialisation with a view of the improving the performance of the organisation. Division of work is involved with differentiating the task necessary to accomplish an objective. Each differentiated task can be handled separately either by different individuals or the same individual at different times.

2. Departmentation

Division of work is followed by its assignment to the individuals responsible for its performance. They are concerned primarily with the way in which the work is assigned to the individuals so that their specialisation can be used effectively.

3. Co-ordination

Co-ordination is the orderly arrangement of group effort to provide unity of action in pursuit of common purpose. As each individual in the organisation is related with others and his functions affect by others, all persons in the organisation should contribute to the organisational efficiency by maximising their efficiency.

According to administrative theorists, in its formalised model of the departmentalisation, problems of co-ordination are eliminated because whole set of activities to be performed is decided in advance and once these activities are assigned to organisational units or individuals, the problem is solved.

4. Human behaviour in organisation

The theorists take human beings in the organisation as the inert instrument performing the tasks assigned to them. The employees put maximum work if they are satisfied monetarily. Moreover, the stability of tenure is essential to get an employee accustomed to new work and succeeding in doing it well.

1.1.7 Behavioural Approach of Management

The Human Relations Approach or the Behavioural Science approach gives greater importance to man behind the machine and stressed the importance of individual

as well as group relationships in the organisation. Human relationists pointed out the role of psychology and sociology in the understanding of individual as well as group behaviour in an organisation. They advocated the importance of human values in business.

1. Hawthorne Experiment

Elton Mayo and his associates conducted Hawthorne studies in the Hawthorne plant of Western Electric company in the USA between 1927 and 1932. They were the pioneer human relationists. According to them there are many areas of managerial applications of behavioural science methods. These are :

- a) The business organisation is not just a techno-economic system. Basically, it is a social system.
- b) The employee can also be motivated by many social and psychological wants and not solely by economic incentives because his behaviour is also influenced by feelings, emotions and attitudes.
- c) Democratic rather than authoritarian leadership is essential to honour psycho-social demands.
- d) Effective two way communication network is essential to establish common flow of understanding in any organisation which will help it to attain goals. Hence, participation becomes an important instrument in human relations movement.
- e) Management must take greater interest in employee development and workers satisfaction as there is a very close connection between morale and productivity. In other words, productivity and satisfaction go together hand-in-hand in any business.
- f) Informal group and informal organisation must be recognised. Group psychology plays an important role in any enterprise. We must rely more on group effects.
- g) Management must develop social skills in addition to technical skills. The key to higher productivity lies not in technological development alone but in reality it lies in employee morale. Where morale is high output is also high. Man - to - man relationships, team spirit, group harmony should be given top preference by management.

2. Elements of Human Relations Approach

a. The individuals

This approach emphasised that individual differences must be recognised. The inner world of the worker is more important than the external reality in the

determination of productivity. Thus, human relations at work determine the rise or fall in productivity.

b. Work groups

This approach emphasises the vital effects of group psychology and behaviour on motivation and productivity. Each work group has its own leader, unwritten constitution and its own production standard imposed by social sanctions on the group members.

c. Participative management

The emergence of participative management is inevitable when emphasis is laid on individual and work groups. Allowing labour to participate in decision making primarily to increase productivity was a new form of supervision. Modern management now welcomes worker participation in planning job contents and job operations.

Thus, Human Relationists made very significant contribution to management thought by bringing into limelight human and social factors in organisation. But their concepts were beyond an appropriate limit. It was proved that there is no direct and deep connection between morale and it is not a very meaningful concept of management thought. There were many other factors which influence productivity directly. From 1969 management thought has been turning somewhat away from regarding the extreme human relations ideas, particularly regarding direct relationship between morale and productivity.

Modern management though wants equal emphasis on man and machine and we can evolve appropriate man-machine system to secure both goals, i.e, productivity and satisfaction for all interested parties.

1.1.8 Contributions of F.W. Taylor

Frederick Winslow Taylor, is often called as the Father of Scientific Management and his contribution as the “principles of scientific management”, Taylor’s contribution can be described in two parts.

1. Main features of scientific management
2. Principles of scientific management.

Features of Scientific Management

1. **Separation of planning and doing :** Taylor emphasised the separation of planning aspect from actual doing of the work. He said that planning should be left to the supervisor and the worker should emphasise only operational work

- iii) Fatigue study shows the amount and frequency of rest required in completing the work. The job analysis, suggests the fair amount of a days work requiring certain movements and rest periods to complete it.
4. **Standardization** : Standardizations should be maintained in respect of instruments and tools period of work, amount of work, working conditions, cost of production etc.
 5. **Scientific selection and training of workers** : Taylor has suggested that workers should be selected on scientific basis taking into account their education, work experience, aptitude physical strength, etc. Apart from selection, proper emphasis should be given on the training of workers which makes them more efficient and effective.
 6. **Financial Incentives** : According to Taylor, wages should be based on individual performance and not on the position which he occupies. A worker who completes the normal work gets wages at higher rate per piece and one who does not complete gets a lower rate.
 7. **Economy**: Taylor suggested adequate consideration to be given to economy and profit. The economy and profit can be achieved by making the resources more productive as well as by eliminating the wastage.
 8. **Mental revolution** : Mutual cooperation between management and workers can be achieved when there is a mental change in both parties from conflict to cooperation.

1.1.9 Principles of Scientific Management

1. **Replacing rule of Thumb with science**: Use of scientific method denotes precision in determining any aspect of work, rule of thumb emphasizes estimation. Since exactness of various aspects of work like days fair work, standardization in work, differential piece rate for payment, etc., is the basic core of scientific management.
2. **Harmony in group action** : Group harmony suggests that there should be mutual give and take situation and proper understanding so that group as a whole contributes to the maximum.
3. **Cooperation** : Scientific Management involves achieving cooperation rather than chaotic individualism. Cooperation between management and workers can be developed through mutual understanding and change in thinking.

4. **Maximum output :** Scientific Management involves continuous, increase in production and productivity instead of restricted production either by management or by workers. Taylor was against inefficiency and deliberate curtailment of production.
5. **Development of workers :** Development of workers to the fullest extent possible for their own and for the cooperative highest prosperity is essential. Training should be provided to workers to keep them fully fit according to the requirement of new methods of working.

1.1.10 Principles of Modern Management

French industrialist Henry Fayol was known as the Father of Modern Management.

Fayol has given 14 principles of management.

1. **Division of work :** Fayol has advocated division of work to take the advantage of specialization. The worker always work on the same part, the manager concerned always with the same matters, acquire an ability, sureness and accuracy which increase their output. Thus division of work can be applied at all levels of that organisation.
2. **Authority and responsibility :** Fayol finds authority as a continuation of official and personal factors. Official authority is derived from the manager's position and personal authority is derived from personal qualities such as intelligence, experience, moral worth, past services etc. Responsibility arises out of assignment of activity.
3. **Discipline :** Discipline is obedience, energy, behaviour, outward mark of respect shown by employees.

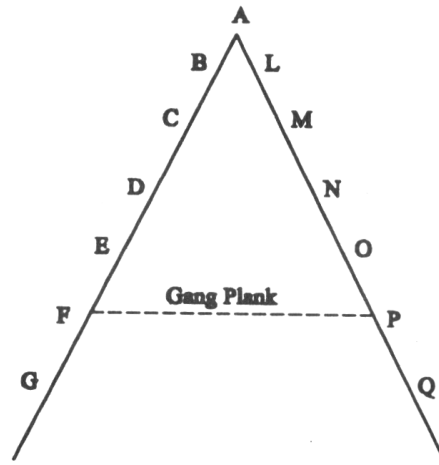
Discipline is of two types :

- i) Self imposed discipline
- ii) Command discipline.

Self imposed discipline springs from within the individual and is in the nature of spontaneous response to a skillful leader.

Command discipline stems from a recognized authority and utilises deterrents to secure compliance with a desired action, which is expressed by established customs, rules and regulation.

4. **Unity of command** : It means that a person should get orders and instructions from only one superior. Fayol has considered unity of command as an important aspect in managing an organisation. If unity of command is violated, authority is undermined, discipline is in jeopardy, order disturbed and stability threatened.
5. **Unity of direction** : According to this principle, each group of activities with the same objective must have one head and one plan. Unity of direction is concerned with functioning of the organisation in respect of its grouping of activities or planning. Unity of direction provides better co-ordination among various activities to be undertaken by an organisation.
6. **Subordination of individual to general interest** : Individual interest must be subordinate to general interest when there is conflict between the two. The agreement between the employers and the employees should be fair and there should be constant vigilance and supervision.
7. **Remuneration of personnel** : Remuneration and methods of payment should be fair and afford the maximum possible satisfaction to employees and employer. Reward for the work done should, as far as possible, give satisfaction to both the employees and the employer. Various systems of payment of wages are not considered of universal applicability, and none of them can be offered as perfect, says Henry Fayol. The importance of non-financial incentives is also stressed by him. Which is now accepted as a matter of vital concern to the management.
8. **Centralization** : Here Fayol refers to the extent to which authority is concentrated or dispersed. Management should centralise the authority to the extent that neither there should be too much concentration of power nor it divides too much. Management should see that maximum results are realized from all the faculties of the personnel. Individual circumstances will determine the degree that will “give the best over all yield”,
9. **Scalar chain** : Scalar chain suggests that each communication going up or coming down must flow through each position in the line of authority. It can be short circuited only in special circumstances when its rigid following would be detrimental to the organisation. For this purpose, Fayol has suggested gang plank which is used to prevent the scalar chain from bogging down action.



Figure

Here A is the top man having immediate subordinates B and L. In turn B and L are having immediate subordinates C and M. This continues to the level of G and Q. The communication must flow from A to B to C to D to E and so on while coming from top to bottom, Similarly, it must flow from G to F to E to D to C to B to A while going up. It means if any communication is going from F to P, it will flow from F to A via E, D, C and B and coming down to P via, L, M, N and O.

Fayol suggests that this scalar chain system takes time, and therefore, can be substituted by gang plank without weakening the chain of command. In order to maintain authority, it is desirable that superiors of F and P authorise them to deal directly provided each informs his superiors of any action taken. Fayol suggested that this-system allows F and P to deal in a few hours.

10. **Order:** This refers to the arrangement of things and people, in material order, there should be a place for everything and everything should be in its place. In social order, there should be the right man in the right place.
11. **Equity :** Equity is the combination of justice and kindness. Equity in treatment and behaviour is liked by everyone and it brings loyalty in the organisation. Equity application requires good sense, experience and good nature for soliciting loyalty and devotion from subordinates. Equity ensures cordial relations between the management and the labour. Smooth and successful working of an enterprise depends on healthy industrial relations which are built on enduring basis of justice and fair play. **Equity does not exclude either forcefulness or sternness.**

- 12. Stability of Tenure :** Stability of tenure is reasonable security of jobs. Stability of tenure is essential to get an employee accustomed to new work and succeeding in doing it well. Unnecessary turnover is both cause and effect of bad management. Frequent changes should be avoided. He considers that it is much better to have one manager of mediocre quality than a sequence of able managers moving rapidly in and out of the function.
- 13. Initiative :** Managers should encourage their employees for taking initiative within the limits of authority and discipline. Initiative increases zeal and energy on the part of human beings. Fayol describes initiative as one of the keenest satisfactions for an intelligent man to experience. Management should encourage every employee in his field of duties to put better work with his maximum versatility. Employees should be welcomed to make any suggestions which should receive proper consideration by the management in formulation of its objectives and plans.
- 14. Esprit de corps :** Esprit de corps denotes “union is strength” and extension of unity of command for establishing team work. Esprit de corps means the spirit of loyalty and devotion which unites the members of a group, it also means regard for the honour of the group to which one belongs. Fayol called for harmonious relations among the personnel of the concern. Harmony among the personnel is a source of strength. Strength, stability, stature and reputation depend on the harmonious relations, subsisting among the personnel.

1.1.11 Limitations of Scientific Management

1. The principles of scientific management are mainly concerned with operation-level problems. These principles neglects the managerial issues, which are very important for managing an organization.
2. Human desire for job satisfaction is neglected by this theory.
3. This theory is often related to engineering than management.
4. This theory assumes that people are rational and wants to fulfill their material gains. So, it emphasizes on economic and physical needs of the people rather than social needs.

1.1.12 Neo - Classical Theory

Elton Mayo, F.J. Roethlisberger and others undertook the famous experiments at the Hawthorn plant of the Western electric company between 1924 and 1932. They

conducted a series of experimental and observational studies at the Hawthorn plant, which was engaged in producing bells and other electrical equipments for the telephone industry.

The National Research Council made a study in collaboration with western electric to determine the effect of illuminations and their conditions on workers and their productivity. Productivity improved when illuminations was either increased or increased for a test group.

Mayo and his colleagues found, that changing illumination for the test group, modifying rest period, shortening workdays, and varying incentive pay systems did not seem to explain changes in productivity. Mayo and researches then come to conclusion that other factors in general which were found responsible for the improvement in productivity was due to social factors as morale, satisfactory interrelationships between members of a work group and effective management. This phenomenon, arising basically from people being “noticed” has been known through Hawthorn effect.

1.1.13 Implications of Hawthorne Experiments

Human relations involves motivating people in organization in order to develop team work which effectively fulfills their needs and achieves organisational goals The major findings of the experiments are,

1. Social Factors in Output

Elton Mayo has described an organisation as “A social System” a system of cliques, informal status system, rituals and a mixture of logical and non-logical behaviours. Since people are social beings, their social characteristics determine the output and efficiency in the organisation - Economic rewards may not necessarily motivate the people, many non-economic rewards and sanctions affect the behaviour of workers and modify the impact of economic rewards.

2. Group Influence

Workers create groups different from their official group. Groups are formed to overcome the short coming of formal relationship. Group determine the norm of behaviour of members. Thus management cannot deal with workers as individuals but as members of work group subject to the influence of the group.

3. Conflicts

The informal relations of workers create groups, and there exists conflict between organisation and groups so created. Conflict may also arise because of

maladjustments of workers and organisation. As the individual moves through the time and space within the organisation, there constantly arises the need for adjustment of the individual to the total structure.

4. Leadership

Leadership is one of the most important aspects of managerial functions. Leadership cannot come only from a formally appointed superior. In some areas, informal leader is more important in directing group behaviour because of his identity with group objective.

5. Supervision

Supervisory climate is an important aspect in determining efficiency and output. Friendly to the workers, attentive, genuinely concerned supervision affects the productivity favourably.

6. Communication

Communication is an important aspect of organisation. Through communication, workers can be explained the rationality of a particular action, participation of workers can be sought in decision making concerning the matter of their importance, problems faced by them can be identified and attempts can be made to remove those. A better understanding between management and workers can be developed by identifying their attitudes, opinions and methods of working and taking suitable actions on these.

1.1.14 Criticisms of Hawthorn's Experiments

1. The Hawthorn researchers did not give sufficient attention to the attitudes that people bring with them to the workplace.
2. The Hawthorn's plant was not typical plant because it was thoroughly unpleasant place to work. Hence, the results could not be valid for others.
3. The Hawthorn studies look upon the worker as a means to an end and not an end to itself.

1.1.15 Contemporary Organisation Theory

Management is as old as civilisation and it has been of some concern to organized society throughout civilised history.

No organized effort towards developing management principles was carried before the present century and most of the earlier contributions towards increasing the

efficiency of organized groups were scattered. Another significant point in the context of the development of thought is that the contributions have been made by practicing managers as well as academicians.

- i) **Pre-scientific Management.** Many considerable contributions were made to the development of management thought. Prominent among them were James Watt and Boulton, Robert Owen, Charles Babbage, Henry Varnum Poor, and Henry Robinson Towne.

The contributions of these early thinkers mainly comprised of stray thoughts of some individuals focussing attention on different aspects of management. These contributions were made bit by bit and in a haphazard manner.

- ii) **Scientific Management.** F.W. Taylor is known as the father of scientific management. Taylor and other contributors, notably Frank Gilbreth and Lilian Gilbreth, Henry Gant, Emerson, investigated the effective use of human beings in industrial organisation. They studied primarily the use of human being as adjuncts to machines in performance of routine tasks. The area of human behaviour in organisations investigated by them was quite narrow.

He later integrated his ideas in his classic “The Principles of Scientific Management” published in 1911.

Principles of Scientific Management

1. Separation of planning and doing
2. Functional foremanship
3. Job analysis
 - a) Time study
 - b) Motion study
 - c) Fatigue study
4. Standardisation
5. Scientific selection and training
6. Financial Incentives
7. Economy
8. Mental revolution.

iii) Operational Management. Henry Fayol studied the functions and principles of management in a systematic manner. These theorists viewed the central problem as being one where there must be identification of tasks necessary for achieving the general purpose of the organisation and of the grouping to take place to fulfill these functions most effectively.

Fayol has given the fourteen principles of management. He has emphasised flexibility in these principles. These principles are flexible and capable of adoption to very need. These principles are,

1. Division of work
2. Authority and responsibility
3. Discipline
4. Unity of command
5. Unity of direction
6. Subordination of individual to general interest
7. Remuneration of personnel
8. Centralisation
9. Scalar chain
10. Order
11. Equity
12. Stability of tenure
13. Initiative
14. Espirit de corps

iv) Social Systems Theory. Chester Barnard's analysis of manager is truly a social systems approach. In determining the tasks of executives, he analysed the nature of co-operative social systems, as he found non-logical factors also influencing organisational behaviour. The main contributions of Barnard can be summarised as follows:

1. Concept of organisation
2. Formal and informal organisation

3. Elements of organisation
4. Functions of the executives
5. Authority
6. Executive effectiveness
7. Motivation
8. Organisational equilibrium
9. Interaction between formal and informal organisation.

v) **Decision Theory.** Simon, a well known authority in the field of administrative behaviour and decision making, has made notable contribution in the field of management. He looked at the problems of management in the totality of social and psychological context: Though he belongs primarily to cooperative social systems school, he has emphasised its decision-making aspects. His main contributions can be analysed as follows:

1. Concept of organisation
2. Decision-making
3. Bounded rationality
4. Administrative man

vi) **Contributions of Peter Drucker.** Peter Drucker's contributions can be analysed, under six heads.

1. Nature of management
2. Managerial functions
3. Organisational functions
4. Federalism
5. Management by objectives
6. Futurity.

vii) **Human Relations Approach/Behavioural Approach.** The essence of the human relations as human relations contribution is contained in two points.

- i) Organisational situation should be viewed in social terms as well as in economic and technical terms.

- ii) The social process of group behaviour can be understood in terms of clinical method analogous to the doctor's diagnosis of the human organism.

Elton Mayo is recognised as the Father of Human Relations Approach. He has conducted a series of experiments known as Hawthorne's Experiments

1. Illumination experiments (1924 - 27)
2. Relay assembly test room experiments (1927 - 32)
3. Bank wiring observation room experiment (1931 -32)
4. Mass interviewing programme.

Behavioural scientists have been goal and efficiency-oriented and considered the understanding of human behaviour to be the major means to that ends. Contributions in this way are in the area of motivation, leadership, communication, organisational conflict, organisational change and development, integrating organisational and individual goals and group dynamics.

1.1.16 Relationship Between Management Theory and Practice

Various management theories developed or evolved in the past few centuries helped the managers to effectively achieve the stated goals of their Organizations. They played a vital role in organizational progress. The following points exhibit the relationship between management theory and practice.

- i) In practice, theories provide a constant focus to understand the experiences to be faced.
- ii) A clear knowledge about various theories facilitates in making effective decisions under given circumstances.
- iii) Theories enable effective communication and facilitates in maintaining more and more complex relationships with other people.

Many management theories evolved in the mid 18th century, 19th century and early 20th century are great contributors for performing managerial activities in the real world.

The various management theories or schools of management are,

- ♦ Scientific Management Theory
- ♦ Classical Organizational Theory

- ♦ The Behavioural School
- ♦ Management Science School
- ♦ The Systems Approach
- ♦ The Contingency Approach
- ♦ Dynamic Engagement Theory

1.1.17 Contemporary School of Management Thoughts

The contemporary school of management thought provides a structure of management practices on the basis of the latest trends like globalisation, theory of Z concepts, McKinseys' 7-S approach, etc.

McKinsey's 7-S Framework

McKinsey's 7-S framework explains the seven independent organizational factors that must be organized by managers in the present conditions. These factors are as follows,

1. **Strategy** - To plan a strategy relating to allocation of scarce resources and committing the organisation towards a certain course of action.
2. **Structure** - To ascertain the number of levels and authority centres in the organisational structure.
3. **Systems** - To ascertain the organizational processes, procedures, reports and routines.
4. **Staff** - To identify the important human resource groups in an organisation and explain them demographically.
5. **Style** - To ascertain the behaviour of managers for attaining organizational goals.
6. **Super-ordinate Goals** - To identify the guiding principles which an organisation must install in its members.
7. **Skills** - To identify the capabilities of people in an organization.

The 7-S framework shows that any alteration in any S-factor may lead to changes in all the other S-factors. But now, the concept of 7-S has changed to the concept of 8-S by making an addition of S-streaming. Streaming consists of those areas that either

directly or indirectly affect all the 7-S. For developing and aligning, it is very essential for the organisations to consider internal components, as well as the events happening outside the organisation.

In 1982, Peters and Waterman in his work i.e., 'in search of excellence' recognised some common features of excellent organisation. These features are now considered as important management principles.

1. **A bias for action** - Excellent firms make things to be happen in reality.
2. **Closeness to the customer** - These firms understand their customers and their needs.
3. **Autonomy and entrepreneurship** - Firms gives importance to autonomy and entrepreneurship in each employee.
4. **Productivity** - Productivity is attained by trusting people.
5. **Hands-on, value-driven management** - value-driven management makes it compulsory.
6. **Stick to the knitting** - They always tackle their problems with strength.
7. **Simple form, lean staff** - They build work teams which are cost effective in nature.
8. **Simultaneous loose-tight properties** - They decentralize several decisions but maintains a strict overall control.

Global competition has also emphasized on the need for improving quality and productivity. Quality and productivity are the two important requirements to maintain competitive advantage for any organization. Therefore, management practices must emphasize on developing human resources to maintain their competitive advantage.'

1.1.18 Differences between Theory X and Theory Y

Douglas McGregor defined organisations as psychological entities which can be characterized by their assumptions about what motivates people.

On the basis of this, Douglas McGregor proposed two different opinions and assumptions about human behaviour. These two opinions are opposite to one another and are named as theory X and theory Y. Theory X talks about negative behaviour of people and theory Y talks about positive behaviour of people.

The differences between theory X and theory Y are listed down below.

Basis	Theory X	Theory Y
1. Planning	Superior sets objectives for subordinates little participation in objective setting and plan formulation	Superior and subordinates set objectives jointly. Great deal of participation in objective setting and plan formulation. Many alternatives are explored. High commitment to objectives and plans.
2. Directing	Few alternatives are explored. Low commitment to objectives and plan. Autocratic leadership based on authority. Top down communication with little feedback.	Participants and team work leadership based on competence. Two-way communication with plenty of feedback.
3. Appraising and controlling	Limited information flow. Low trust in appraisal, control is extreme and rigid. Focus on past and fault findings.	Free information flow. High trust in appraisal. Internal control based on self-control. Based on past but forward looking problem solving.
4. Human beings interest towards work	Such individuals don't like to work and always try to avoid it.	Such individuals are self-directed and self-controller who are very much committed towards their work. People are assumed to be very ambitious in theory Y.
5. Level of ambition	Theory X states that people don't have goals and objectives. They are not ambitious.	People are assumed to be very ambitious in theory Y.
6. Motivating factors	Theory X says that people get motivated with the satisfaction of lower needs.	Theory Y says that people get motivated with the satisfaction of higher level needs (lower needs are important too).
7. Type of authority	Theory X focuses on centralisation of authority	Theory Y focuses on decentralisation of authority.
8. Creativity	As per theory X, most of the people lack creativity and possess less skills than theory Y individuals.	As per theory Y, people possess creative skills and are much more creative than theory X individuals.
9. Focus	Negative behaviour of people is being discussed in theory X	Positive behaviour of people is being discussed in theory Y.
10. Type of leadership	Such individuals follow autocratic leadership.	Such individuals follow democratic and supportive leadership.

1.1.19 Theory-Z with its Features and Implications

Theory Z

Theory Z explains the important features of Japanese management practices and the ways which have been implemented in the business environment of US and other countries. Theory Z implies the human behaviour and their state of affairs in the organisation. Theory Z is implemented for promotional purpose and it was developed by William G.Ouchi who made a comparative study of American and Japanese management and identified that several Japanese management practices can be implemented in American organisations.

1.1.20 Features of Theory Z

According to William G.Ouchi, Japanese management predominantly consists of the following features :

1. Trust

Trust is an important elements of theory Z. According to Ouchi, there must be considerable trust between employees, supervisors, work groups, unions, management and government. Usually trust, integrity and openness are closely related with each other and they are essential for effective organisations. These principles help in increasing the efficiency of employees by increasing cooperation and reducing conflicts.

2. Strong Relationship between Organisation and Employees

Theory Z emphasizes on maintaining a strong relationship between organisation and its employees. Ouchi has suggested the incorporation of some methods into management framework as done by the Japanese organisation which includes lifetime employment, horizontal movement of employees to prevent stagnation and preparation of career plans for their employees.

3. Employee's Participation

Another important feature of theory Z is the active participation of employees in some decisions of the organisation. Decisions relating to employees must be taken jointly and those decisions which needs to be taken up by the management must be informed to the employees.

4. No Formal Structure

Theory Z does not involve the implementation of any formal structure for the organisation. Instead, it focuses on the implementation of teams and teamwork

where all members cooperate for sharing of information, resources and plans. An integrated organisation does not involve any division or any visible structure but focus on rotational aspect of employee placement so that employees can understand the affects of their work on others and the affect of others work on them.

Example : Cricket or Hockey doesn't require any formal reporting relationships between the players, instead everyone is aware of their responsibility on the fields and strives hard for the accomplishment of a common task i.e.. to won the match.

5. Coordination of Human Beings

In order to increase productivity, leader must maintain strong coordination between the people and develop skills of people, must create new structures for providing incentives and new philosophy of management. The main purpose is to achieve the full commitment and dedication of employees for the development of less-selfish more-cooperative approach to work.

1.1.21 Implications of Theory Z

1. Through theory Z motivational aspect of employees can be completely modified which was not possible with other theories.
2. Different management actions and several management techniques are modified in theory Z.
3. Theory Z may not be suitable to Indian organisations because their socio-cultural patterns are different from theory Z organisations.

1.1.22 Criticisms of Theory Z

Following are the important criticisms against theory Z. They are as follows :

1. Provision of life time employment seems to be difficult because employer may replace unproductive worker with other substitutes and employee may shift his job if any other job provides him with increased salary and with other nonmonetary benefits.
2. Theory Z mainly focuses on the prevalence of a common culture and involves no class discrimination in the organisation. But it is not possible because organisation involve different people belonging to different cultural and family backgrounds.

3. In Indian context, organisations believe in low level of social responsibility, so it is not applicable to assume that less profits or losses will be accepted by shareholders to avoid lay-off.
4. Due to the absence of a formal organisational structure in theory Z, organisations have to face and tackle operational problems while implementing it in an organisation.

1.1.23 Limitations of Contemporary Approach

- 1) **Inadequate literature** : Contingency Approach suffers from inadequacy of literature.
- 2) **Complex** : Contingency Approach says that managers should do according to the needs of the situation. Determination of situation in which managerial action is to be taken involves analysis of a large number of variables with multifarious dimensions.
- 3) **Difficult empirical testing**: For empirical testing of a theory, it is necessary that some methodology is available. Contingency theory suggests that greater the degree of Congruence between various parts of organizational components, the more effective will be organizational behavioural at various levels,
- 4) **Reactive not proactive** : Contingency approach is basically reactive in nature, it merely suggests what managers can do in a given situation.

1.1.24 Systems Approach

The systems theorists focus on viewing the organization as a whole and as the interrelationship of its parts. In the 1950s, management theorists attempted to integrate the classical, behavioral, and management science theories into a holistic view of the management process. Systems theorists began by assuming that an organization is a system that transforms inputs (resources) into outputs (products and/or services).

According to Russell Ackoff, the commonly used classical approach to problem solving is a reduction process. Managers tend to break an organization into its basic parts (departments), understand the behavior and properties of the parts, and add the understanding of the parts together to understand the whole. They focus on making independent departments operate as efficiently as possible.

According to systems theorists, the reductionist approach cannot yield an understanding of the organization, only knowledge of how it works. Because the parts

of a system are interdependent, even if each part is independently made to perform as efficiently as possible, the organization as a whole may not perform as effectively as possible. For example, all-star athletic teams are made up of exceptional players. But because such players have not played together as a team before, the all-star team may not be able to beat an average team in the league.

Systems Approach to Management

A system in an assemblage of things connected or interrelated so as to form a complex unity :- a whole composed of parts and subparts in orderly arrangement according to some scheme or plan.

Features of Systems Approach

1. A system is basically a combination of parts, subsystems, each part may have various subparts. Thus a hierarchy of systems and subsystems can be arranged.
2. Parts and subparts of system are mutually related to each other, some more, some less, some directly, some indirectly. Any change in one part may affect other parts also.
3. A system is not merely the totality of parts and subparts but their arrangement is more important, Thus a system is an independent framework in which various parts are arranged.
4. A system can be identified because it has a boundary. Identification of this boundary in the case of human organisation facilitates the management of a system by differentiating those which can be controlled because they are the parts of the system and those which cannot be controlled because they are outside the system.
5. The boundary of a system classified it into two parts, closed system and open system.

Open Systems

1. All living organisms are open systems.
2. They interact with their environment, they relate, exchange and communicate.
3. They import energy and export output with their environment.
4. They are dynamic and flexible as they are subject to change by environmental forces.

5. Open systems import more energy than is expended or consumed. They grow over a period of time.
6. They have feed back mechanism that helps them to maintain homeostatic (a kind of equilibrium).

Closed Systems

1. All non living organisms are closed systems.
2. They have no interaction with environment.
3. They are self-contained and self maintained as they do not interact with the environment.
4. They are rigid and static.
5. They are like close loop.
6. There is no such feedback mechanism.

1.1.25 Features of Management as System

1. **Management as a Social System.** Management as a system consists of many sub systems which are integrated to constitute an entry.
2. **Management as Open System.** It interacts with its environment, takes various resources, allocates and combines these resources to produce desirable outputs which are exported to the environment.
3. **Adaptive.** Organisation being an open system, its survival and growth in a dynamic environment demands an adaptive system which can continuously adjust to changing environments.
4. **Dynamic.** Managements effectiveness depends on the energy exchange. It is not only the internal processing process that determines the effectiveness of management but also how it interacts with the changing environment in terms of taking inputs and giving outputs also determine its effectiveness.
5. **Probabilistic.** Management is probabilistic and not deterministic. A deterministic model always specifies the use of model in a condition with predetermined results. Management being probabilistic points out only the probability and never the certainty of the performance and consequent results.
6. **Multilevel and Multidimensional.** It has both macro and micro approach, At macro levels, it can be applied to supersystem, a business system as a whole.

At micro level, it can be applied to an organisation, Even it can be applied to a subsystem of an organisation.

7. **Multivariable.** Management is multivariable and involves taking into account many variables simultaneously.
8. **An Integrated Approach.** Systems approach of management takes an integrated view of managing, it identifies the reason for a phenomenon in its wider context taking into account the total factors affecting the phenomenon.
9. **Multi-disciplinary.** It draws and integrates knowledge from various discipline and schools of thought. It draws heavily from economics, psychological, sociology, anthropology, mathematics, statics, operations research, systems analysis, etc.

1.1.26 Implications of System Approach

1. It possesses the conceptual a level of managerial analysis much higher than any other approach.
2. It discards the simplistic approach of managerial analyses and suggests that management of an organisation must be consistent with the demands of organizational environment and the needs of its members.
3. It provides a framework through which organisation environment interaction can be analyzed and facilitates decision making, since the system within which managers make decisions can be provided as a more explicit frame work, decision making is easier to handle.

1.1.27 Limitations of Systems Approach

1. **Abstract Approach.** Systems approach is too abstract to be of much use of practising managers. It merely indicates that various parts of the organisation are interrelated. But it fails to spell out precisely relationships among these.
2. **Lack of Universality.** Systems approach of management lacks universality and its precepts cannot be applied to all organizations.

Contributions of Systems Approach To Management

Contributions of Systems Approach To Management :-

1. Under systems approach, managers have a good view of the organisation.
2. It gives importance to interdependence of the different parts of an organisation and its environment.

3. It foretastes consequences and plans actions.
4. Systems thinking warns managers against adopting piecemeal approach to the problem-solving.

Systems theory stresses the need for conceptual skills in order to understand how an organization's subsystems (departments) interrelate and contribute to the organization as a whole. For example, the actions of the marketing, operations, and financial departments (subsystems) affects each other; if the quality of the product goes down, sales may decrease, causing a decrease in finances. Before managers in one department make a decision, they should consider the interrelated effects it will have on the other departments. The organization is a system (departments), just as the management process is a system (planning, organizing, leading, and controlling), with subsystems (parts of departments) that affect each other. So, in other words, when you have a problem to solve, do not break it into pieces; focus on the whole.

According to Harold Koontz, Daniel Katz, Robert Kahn, and others, the systems approach recognizes that an organization is an open system because it interacts with, and is affected by, the external environment. For example, government laws affect what an organization can and cannot do, the economy affects the organization's sales, and so on.

Over the years, systems theory lost some of its popularity. However, today one of the major trends is toward total quality management (TQM), which takes a systems approach to management.

1.1.28 Contingency Approach

Contingency / Situational approach asserts that there is no prescribed managerial action or organisational design that is appropriate for all situations. The design and managerial action depends on the situations. This approach is based on the systems views of organisation. It is action - oriented and directed towards the application and implementaion of the systems concepts. This theory is a comprehensive organisation theory dealing with a variety of organisational and environmental variables. It is a long-range theory and can be applied to the study of various sub units of an organisation.

It is concerned with the relationship between relevant environmental variables and appropriate management concepts and techniques that lead to effective goal attainment.

Contingency approach is an important addition to the paradigm of modern organisation theory. It is an sophisticated approach to understand the increasingly

complex organisations. As today's environment is turbulent and dynamic in character and dominated by the complex and rapidly changing conditions which impinge upon organisational systems. The essence of this theory is that the best organisation structure is depending on the situation. This theory concentrates on political, day-to-day situational puzzle solving assignments the managers encounter.

1. **Conceptual framework**

Contingency theory provides a conceptual framework within which managers can systematically study the characteristics of the major organisational components, as well as their interrelationships. This theory can be labelled as a comprehensive theory or long range organisational theory because it can be used as a tool for understanding the entire organisation and the behaviour of the individual components. It emphasises the viewpoint that management is situational. It, thus, encourages managers to be highly flexible regarding the strategies and techniques to be used in solving organisational puzzles. Under this approach managers become pragmatic rather than rule-bound; it is because contingency approach makes it crystal-clear that there are no good or bad organisational designs and management systems. Further, it enables the managers to diagnose the future problems the organisations confront and devise tactics based on empirical research.

2. **Linkage or Marriage between theory and practice :** Contingency theory is a practical way of studying and analysing the organisation. Unlike the earlier management theories that suggests one best way of doing things, contingency theory suggests a host of alternatives that might be applicable to a particular situation.
3. **A basis for introducing changes :** Contingency theory explains the dynamic process of organisational change. It provides information about the relevant changes that occur in the environment from time to time. It also provides the necessary information to maintain the dynamic equilibrium.
4. **Wide applicability :** Wherever there is a need to define or redefine the relationships in an organisation contingency may be of service. For instance, contingency models are useful in strategy formulation, organisation design, and redesign, information decision systems, influence systems and leadership, and organisational improvements.
5. **New Microphase :** Primary attention of contingency approach is on problem-solving puzzles and putting out fires, it has entirely pragmatic flavour. This approach dears away the humanistic and general systems of fog.

1.1.29 Limitations of Contingency Approach

The contingency theory is has a number of limitations than the scientists cannot ignore.

1. **It is complex :** This theory involves more, organisational and environmental variables. It is a complicated theory . Even a simple situation involves in a analysing a number of organisational components, each of which has multifarious dimensions. The modern manager may ignore the thorough analysis of all these variables and resorts short-cut approach. It is not surprising if manager avoids using such complex tools and remove the contingency approach from his tool kit.
2. **Pausity of content :** Contingency approach to the organisation is criticised on the grounds of pausity of content. Time and gain the contemporary social scientists have been emphasizing the 'situational' theories.
3. **Empirical testing - difficult :** Contingency approach is theoretically complex. Because of this complicated version, there is a doubt as whether this theory can be empirically tested.' Contingency theory hypothesizes that the greater the total degree of congruence between various parts of organisational components the more effective will be organisational behaviour at multiple levels. Though there is some indication that overall organisational fits can improve organisational effectiveness, concrete research is lacking to support this hypothesis
4. **Reactive not proactive :** This theory fails to deal with proactive strategy. It is critised on the ground that it suggest a reactive strategy in copying with the environmental complexity. It argues that since the managers have considerable power in the society, they must be in a position to provide a sense of direction and guidance, through their innovative and creative efforts especially in copying with the environmental changes in time directionless society.

The basic idea of contingency approach, is that there cannot be a particular management action which will be suitable for all situations, An appropriate action is one which is designed on the basis of external environment and internal states and needs. Contingency theorists suggests that system approach does not adequately spell out the precise relationship between organization and its environment. Contingency approach tries to fill this gap by suggesting what should be done in response to an event in the environment.

1.1.30 Functions of Managers

Management process suggests that all the managers in the organisation perform certain functions to get the things done by others.

- Fayol has classified management functions into Planning, Organising, Commanding, Coordinating and Controlling.
- Gullick & Urwick described the functions of management as POSDCORB. Planning, Organising, Staffing, Directing, Coordinating, Reporting and Budgeting.
- Koontz and O'Donnel have included planning, organising, staffing, leading and controlling.

1. Planning

Planning involves selecting missions and objectives and the actions to achieve them. It is the conscious determination of future course of action to achieve the desired results.

2. Organizing

Organizing is the process of dividing work into convenient tasks or duties, grouping of such duties in the form of positions, grouping of various positions into departments and section, assigning duties to individual positions and delegating authority to each position so that the work is carried out as planned.

3. Staffing

Staffing involves filling, and keeping filled, the positions in the organisation structure, This is done by identifying work-force requirements, inventorying the people available and recruiting, selecting, placing, promoting, appraising, planning the careers, compensating, and training or otherwise developing both candidates and current job holders so that tasks are accomplished effectively and efficiently.

4. Leading

Leading is influencing people so that they will contribute to organisation and group goals. Since leadership implies followership and people tend to follow those who offer a means of satisfying their own needs, wishes and desires.

5. Controlling

Controlling is measuring and correcting individual and organisational performance to ensure that events conform to plans. It involves measuring performance against goals and plans, showing where deviations from standards exists and helping to correct them.

1.2 ORGANISATIONAL BEHAVIOUR

1.2.1 Definition of 'Organizational Behavior

Organizational Behavior (OB) is the study of the way people interact within groups. Normally this study is applied in an attempt to create more efficient business organizations. The central idea of the study of organizational behavior is that a scientific approach can be applied to the management of workers. Organizational behavior theories are used for human resource purposes to maximize the output from individual group members

Leadership and management must go hand in hand. They are not the same thing. But they are necessarily linked, and complementary. Any effort to separate the two is likely to cause more problems than it solves.

Still, much ink has been spent delineating the differences. The manager's job is to plan, organize and coordinate. The leader's job is to inspire and motivate. In his 1989 book "On Becoming a Leader,"

Warren Bennis composed a list of the differences :

- The manager administers; the leader innovates.
- The manager is a copy; the leader is an original.

The manager maintains; the leader develops.

- The manager focuses on systems and structure; the leader focuses on people.
- The manager relies on control; the leader inspires trust.
- The manager has a short-range view; the leader has a long-range perspective.
- The manager asks how and when; the leader asks what and why.
- The manager has his or her eye always on the bottom line; the leader's eye is on the horizon.
- The manager imitates; the leader originates.
- The manager accepts the status quo; the leader challenges it.
- The manager is the classic good soldier; the leader is his or her own person.
- The manager does things right; the leader does the right thing.

Perhaps there was a time when the calling of the manager and that of the leader could be separated. A foreman in an industrial-era factory probably didn't have to give

much thought to what he was producing or to the people who were producing it. His or her job was to follow orders, organize the work, assign the right people to the necessary tasks, coordinate the results, and ensure the job got done as ordered. The focus was on efficiency.

But in the new economy, where value comes increasingly from the knowledge of people, and where workers are no longer undifferentiated cogs in an industrial machine, management and leadership are not easily separated. People look to their managers, not just to assign them a task, but to define for them a purpose. And managers must organize workers, not just to maximize efficiency, but to nurture skills, develop talent and inspire results.

The late management guru Peter Drucker was one of the first to recognize this truth, as he was to recognize so many other management truths. He identified the emergence of the “knowledge worker,” and the profound differences that would cause in the way business was organized.

1.2.2 Features of Organisational Behaviour

Organizations operate their functional activities by some elements, which affect organizations.

1. People

People make up the internal social system in the organization. They consist of individuals and groups. Groups may be large or small, formal and informal, official or unofficial. Human organization changes every day. People are living, thinking and feeling beings that created the organization and try to achieve the objectives and goals.

2. Structure

Structure defines the formal relationship and use of people in the organization. Different people in an organization are given different roles and they have certain relationship with others. Those people have to be related in some structural way so that their work can be effectively coordinated.

3. Technology

The technology imparts the physical and economic conditions within which people work. With their bare hands people can do nothing. So they are given assistance of building, machines, tools, processes and resources. The nature of technology depends very much on the nature of the organization, influences the work or working conditions.

4. Social System

Social system provide external environment within which organization operates. A single organization can not exist alone. It is a part of the whole. A single organization can not give everything and therefore there are many other organizations. All these organizations influence each other.

1.2.3 Scope of Organisational Behaviour

The scope of OB may be summed up in the words of S.P. Robbins as follows:

“OB is a field of study that investigates the impact that individuals, groups, and structure have on behaviour within organizations, for the purpose of applying such knowledge towards improving an organisation’s effectiveness”.

The scope of OB involves three levels of behaviour in organizations: individuals, groups and structure.

1. Individual Behaviour

- i) Personality
- ii) Perception
- iii) Values and Attitudes
- iv) Learning
- v) Motivation

2. Group Behaviour

- i) Work groups and group dynamics
- ii) Dynamics of conflict
- iii) Communication
- iv) Leadership
- v) Morale

3. Organization: Structure, Process and Application

- i) Organizational Climate
- ii) Organizational Culture
- iii) Organizational Change
- iv) Organizational Effectiveness
- v) Organizational Development.

1.2.4 Fundamentals Concepts of OB

Human behaviour in organisations is caused by individuals as individuals, as member of groups and structures of the organisations. Figure presents the model of organisational behaviour.

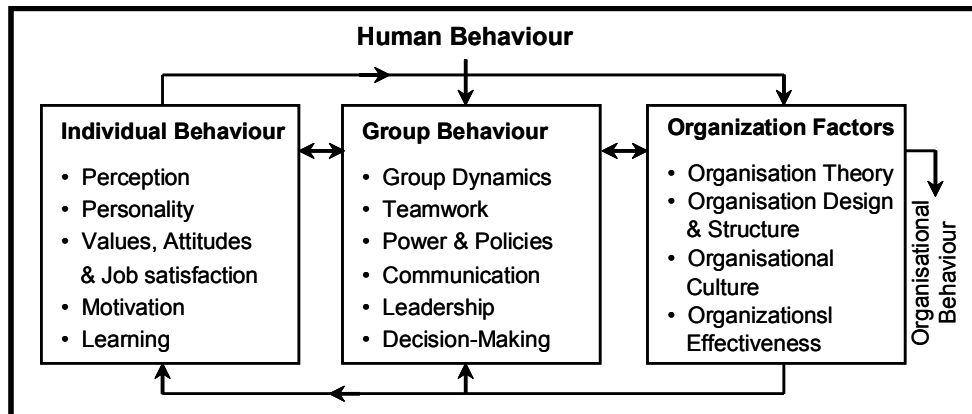


Fig. : Model of Organisational Behaviour

1. Individual Behaviour

Behaviour of an individual employee is influenced by several factors like the individual's mental make-up, family background, educational background, social and cultural background, geographical region, personality traits, values, attitudes, opinions etc. Individual behaviour is studied through.

- **Perception** : Perception refers to a complex cognitive process that yields a unique picture of the world that may be quite different from reality. Individuals behave based on their perceptual world or impressions.
- **Personality** : Personality is the sum total of ways in which an individual reacts and interacts with others. Hereditary factors, environmental factors and situational factors determine personality.
- **Values** : Values are the basic convictions that a "specific mode of conduct or end-state of existence is personally or socially preferable to an opposite or converse mode of conduct or end-state of existence."
- **Attitudes** : Attitudes are evaluative statements - either favourable or unfavourable-concerning objects, people or events.
- **Job satisfaction** : Job satisfaction refers to a person's feeling of satisfaction on the job, which acts as a motivation to work

- **Motivation :** Motivation is the process that account for an individual's intensity, direction and "persistence of effort towards attaining a goal"
- **Learning :** Learning is relatively permanent change in behaviour that occurs as a result of experience.

2. Group Behaviour

An integrated and comprehensive behaviour of people in a group is referred to as group behaviour. Group behaviour is studied through group dynamics, teams, communication, power and politics, leadership and decision-making.

- **Group Dynamics:** Groups are formed with a specific purpose. They exist for some time until the purpose is achieved and then disband or adjourn. Groups are both formal and informal. Other types of groups include: command groups, task groups, interest groups and friendship groups. Groups behave and function based on its norms.
- **Teamwork:** Teamwork is a group whose individual efforts result in a performance that is greater than the sum of the individual inputs. Different types of teams include: problem solving teams, self-managed work teams, cross-functional teams and virtual teams.
- **Power and Politics:** Power refers to the ability of the people to acquire resources and award them to various people in organisations.
- **Communication:** Communication is transferring of information and understanding the meaning of it. Communication may be formal or informal, downward, upward, horizontal and cross-wise.
- **Leadership:** Leadership is the ability to influence a group towards the achievement of goals. Leadership styles include autocratic style, benevolent autocratic style, participative style and democratic style.
- **Decision-making:** Decision making is developing alternative solutions to a problem and selecting the best solution from among the alternative solutions.

3. Organisation Factors

Organisational structure is dividing, grouping and coordinating the job tasks. Job tasks may be structured based on departments, functions, geographical areas, products or services.

- **Organisation Theory:** Organisation theory refers to various models of structuring the work activities and jobs in order to build relationships among people , jobs, goals etc.
- **Organisational Design:** Organisational design is formulating the philosophy for coordinating the job tasks. One philosophy is narrow bandwidth which results in narrow and specialised jobs. Narrow bandwidth leads to all organisations. Another philosophy is wider bandwidth which leads to flat structures.
- **Organisational Culture:** Organisational culture is a “pattern of basic assumption-invented, discovered or deployed by a given group as it learns to cope with its problems of external adaptation and internal integration-that has worked well enough to be considered valuable and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems.”
- **Organisational Effectiveness:** Organisational effectiveness refers to selecting the right objectives and goals depending up on the environment and social goals of the country in which the company is operating.

Organisational Behaviour

Organisational behaviour is studying the behaviour of individuals and groups. OB studies the behaviour systematically, how people behave under a variety of situations and conditions. It also studies why people behave as they do. Thus, it identifies the reasons for the behaviour.

OB predicts the future behaviour of employees. Managers based on the past behaviour of the employees, employee traits, values and future situations predict the future behaviour of employees.

If the predicted behaviour is not in accordance with the requirements of organisational strategies, managers mould the employee behaviour towards organisational requirements by changing the reward system, organization structure, leadership styles, group norms etc. Thus, managers manage behaviour.

1.2.5 Challenges of Organisational Behaviour

1. The creation of a global village
2. Workforce diversity
3. Improving quality and productivity

4. Improving People skills
5. Management control to empowerment
6. Stability and flexibility
7. Improving ethical behavior.

There are a lot of challenges and opportunities today for managers to use Organizational behavior concepts. The critical issues for which Organization behavior offers solutions are :

1. The creation of a global village

The world has truly become global village. As multinational companies develop operations world wide, as workers chase job opportunities across national borders, managers have to become capable of working with people from different cultures.

2. Workforce diversity

Workforce diversity addresses differences among people within given countries. It means that Organizations are becoming more heterogeneous in terms of gender, race and ethnicity. When diversity is not managed properly, there is potential for higher turnover, more difficult communication and more interpersonal conflicts. So workforce diversity has important implications for management practice.

3. Improving quality and productivity

Toward Improving quality and productivity, managers are implementing programs such as TQM (Total Quality Management) and Re-engineering programs that require extensive employee involvement. The Organizational behavior offers important insights into helping managers work through those programs.

4. Improving people skills

Organizational behavior represents relevant concepts and theories that can help a manager to predict and explain the behavior of people at work. In addition, it also provides insights into specific people skills that can be used on the job. Organizational Behavior also helps at improving a manager's interpersonal skills.

5. Management control to empowerment

In the 1980s, managers were encouraged to get their employees to participate in work related decisions. But now managers are going considerably further by allowing employees full control of their work. In so doing, managers have to learn

how to give up control and employees have to learn how to take responsibility for their work and make appropriate decisions.

6. Stability and flexibility

Now days, change is an ongoing activity for most managers. The study of Organizational behavior can provide important insights into helping a manager better understand a work world of continual change and how to overcome resistance to change. So today's managers and employees must learn to cope with temporariness.

7. Improving ethical behavior

Today's manager needs to create an ethically healthy climate for his or her employees where they can do their work productively and confront a minimal degree of ambiguity regarding what constitutes right and wrong behavior.

1.2.6 Career Development for OB

Globalisation, changes in technology, the Internet revolution and other changes in the external environment have had a major impact on the way organisations function. As a result, the field of organisational behaviour has also undergone significant changes. According to Fred Luthans, the following changes will affect the field of organisational behaviour.

1. Reduction in the number of middle management personnel

Downsizing will reduce the number of middle level managers in the future. They will have additional responsibilities and consequently, their roles in their organisations will be expanded significantly.

2. Increasing use of computers and Information Technology in organisations

Computers would be used extensively in the various functional areas of organisations. Information technology and the Internet would bring many changes in organisational structure and the way in which organisations function.

3. Entry of women and minorities in the workforce

Women and members of various minority groups would enter the corporate world, increasing the diversity of the workforce.

4. Cooperation between management and unions

Factors such as globalization and increasing competition will necessitate cooperation between the management and unions so that organizations can perform effectively. Achieving such cooperation will not be easy and will require a lot of effort on the part of both management and unions.

5. Innovative work approaches for special needs of employees

Various innovative approaches like flextime, job-sharing, and leave encashment will be used by organizations to help employees meet their personal and professional commitments. Organizations will try to improve the quality of work life to provide employees with a more congenial and stimulating work environment.

According to management experts Steven L. McShane and Mary Ann Von Glinow, the important trends which would emerge in organizational behavior are:

- Change in the composition of the workforce
- Spread of globalization
- Changes in the workplace values and ethics
- Increased usage of Information Technology in the organizations
- Changes in the employee-employer relationship.

1.2.7 Contributing Disciplines to the OB

Many disciplines have contributed to the study of human relations and OB. The most significant contributors are psychology (social and industrial), sociology, anthropology, economics and political science. The contribution of psychology has been mainly at the micro level of analysis, that is, it has helped in a better comprehension of individual behavior.

The contribution of other disciplines, namely sociology, social psychology, anthropology, economics and political science, has increased an understanding of macro concepts such as group processes and organizational development. These academic disciplines give valuable insights into decision-making, communication, leadership, innovation, and resolving organizational conflict as well as problems related to individual and organizational change. An overview of major contributions to the study of OB has been graphically represented in Figure below. The various disciplines that have contributed to OB are discussed below.

1. Psychology

Psychology is a social science that helps explain, measure and remodel human behavior. Psychologists are involved mainly in the study of individual behavior. Several social scientists from diverse areas of psychology such as learning theorists, personality theorists, counseling psychologists, and industrial and organizational psychologists have made notable contributions to the study of individual behavior, motivation, individual perceptions, learning, training, and the role of personality.

2. Social Psychology

Social psychology is a blend of psychology and sociology that focuses on the influence of people on one another. This field has provided many useful insights in attitude change, communication patterns, group processes and group decision-making. Social psychologists have contributed greatly to the study of the implementation of change in organizations and the way in which barriers to change implementation can be reduced.

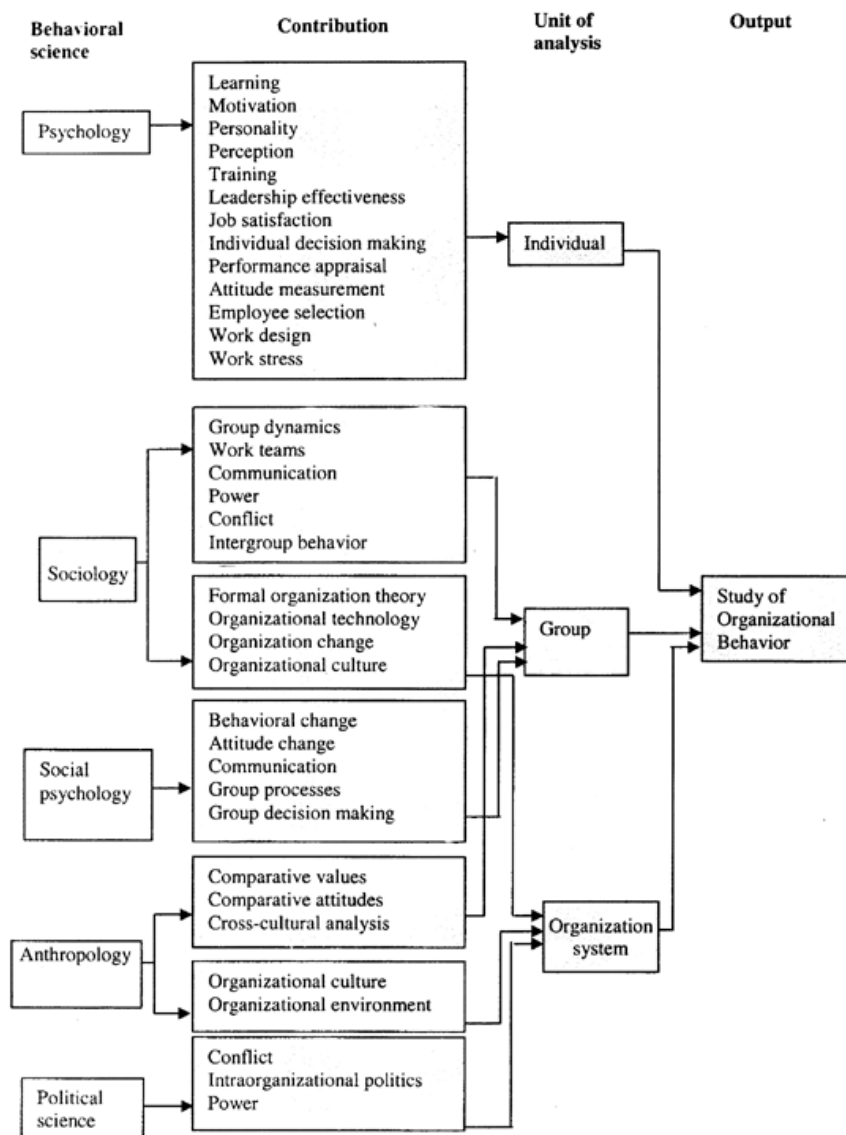


Fig.: Toward an OB Discipline

3. Industrial Psychology

Industrial psychology applies the principles and theories of psychology to the industrial context s processes of selection and placement, the influence of physical environment on human performance, accident and safety, morale, and mental health.

4. Sociology

Sociology is the scientific study of the nature and development of society and social behavior. The major contribution of sociologists to OB has been their analysis of group behavior in formal and complex organizations at the group and organization level. Their analysis has helped in better understanding of group dynamics, work teams, norms, roles, status, formal organization theory and structure, organizational technology, organizational culture, communication, socialization, power, conflict and intergroup behavior.

5. Anthropology

Anthropology involves the study of mankind, especially of its origin, development customs and beliefs. The work of anthropologists has provided insights into the base differences in values, attitudes and behavior of people from different countries and in different organizations. Cultural anthropology has widely contributed to OB in the following areas: Impact of cultural factors on OB, value systems, concepts of interaction, comparative norms, values and attitudes, organizational culture and environment, and cross-cultural analysis.

6. Economics

Economics is a science of production, distribution and consumption of goods and services. Economics provides insights into the aspects of decision and choice, factors that need to be considered while choosing the most suitable option, policies that affect the economic growth of a firm and allocating limited resources to competing alternatives.

7. Political Science

Political science involves the study of individual and group behavior within a particular political environment. It has made significant contribution in the areas of structuring of conflict, allocation of power, politics within the organization and the overall administrative process.

The above stated disciplines have contributed immensely in developing a general theory of human behavior at work. These disciplines tend to study very specific and narrow aspects of human behavior, resulting in fragmentation of knowledge. Behavioral science must attempt to integrate the concepts and principles from these disciplines to make a comprehensive study of human behavior.

UNIT II

Understanding Individual And Group Behaviour :

Individual Behaviour: Personality Determinants – Big five Personality factors – Learning Theories. The Perceptual Process – Factors influencing perception – Internal & External; Attitudes and Behaviour- Attitude Formation and Attitude Change.

Group Behaviour: Fundamentals of Groups – Stages of Development- Important Factors influencing Team Effectiveness – Cohesiveness – Norms – Decision Making.

2.1 UNDERSTANDING INDIVIDUAL AND GROUP BEHAVIOUR

2.1.1 Individual Behaviour

Behaviour is the pattern of how a person responds to a stimulus.

Responses can be influenced by

1. **Culture:** the shared patterns of behaviors and interactions, cognitive constructs, and affective understanding that are learned through a process of socialization. These shared patterns identify the members of a culture group while also distinguishing those of another group.
2. **Attitude:** a hypothetical construct that represents an individual's like or dislike for an item; mental position relative to a way of thinking or being. The current popular usage of attitude implies a negative mindset, a "chip on the shoulder" behavior, and an inner anger toward the prevailing majority of thought. Emotion: a feeling that is private and subjective; a state of psychological arousal an expression or display of distinctive somatic and autonomic responses.
3. **Values:** beliefs of a person or social group in which they have an emotional investment (either for or against something) Ethics: response based on what is right; the process of determining how one should hold the interests of various stakeholders, taking into account moral values/principles
4. **Authority:** the power or right to give orders or make decisions. Coercion: obtaining a response by use force; compelling a person to behave in an involuntary way (whether through action or inaction) by use of threats/intimidation Persuasion: obtaining a response by convincing a person; the process of guiding people toward

the adoption of an idea, attitude, or action by rational and symbolic (though not always logical) means. It is strategy of problem-solving relying on “appeals” rather than force.

5. Genetics: inherited from parents; pertaining to genes or any of their effects.

According to John Ivancevich and Michael Mattson, the major factors that influence individual differences in behavioural patterns are demographic factors, abilities and skills, perception, attitudes and personality. Let us discuss them and they are as follows :

- 1. Demographic Factors:** The demographic factors are socio economic background, education, nationality, race, age, sex, etc. Organisations prefer persons that belong to good socio-economic background, well educated, young etc as they are believed to be performing better than the others. The young and dynamic professionals that have good academic background and effective communication skills are always in great demand. The study of demographic factors is significant as it helps managers to pick the suitable candidate for a particular job.
- 2. Abilities and Skills:** The physical capacity of an individual to do something can be termed as ability. Skill can be defined as the ability to act in a way that allows a person to perform well. The individual behaviour and performance is highly influenced by ability and skills. A person can perform well in the organisation if his abilities and skills are matched with the job requirement. The managers plays vital role in matching the abilities and skills of the employees with the particular job requirement.
- 3. Perception:** The cognitive process meant for interpreting the environmental stimuli in a meaningful way is referred to as perception. Every individual on the basis of his/he reference can organize and interpret environmental stimuli. There are many factors that influence the perception of an individual. The study of perception plays important role for the managers. It is important for mangers to create the favorable work environment so that employees perceive them in most favorable way. The employees are likely to perform better if they are going to perceive it in a positive way.
- 4. Attitude:** According to psychologists, attitude can be defined as a tendency to respond favourably or unfavourably to certain objects, persons or situations.

The factors such as family, society, culture, peers and organisational factors influence the formation of attitude. The managers in an organisation need to study the variables related to job as to create the work environment in a favorable way that employees are tempted to form a positive attitude towards their respective jobs. The employees can perform better in the organisation if they form a positive attitude.

- 5. Personality:** Personality can be defined as the study of the characteristics and distinctive traits of an individual, the inter-relations between them and the way in which a person responds and adjusts to other people and situations. The several factors that influence the personality of an individual are heredity, family, society, culture and situation. It implies to the fact that individuals differ in their manner while responding to the organizational environment.

Personality can be regarded as the most complex aspect of human beings that influences their behaviour in big way. It can be concluded that the study of personality traits offers an opportunity to understand the individuals. It helps them properly in directing their effort and motivating them for the accomplishment of the organisational goal. It refers to the fact that different environmental factors may generate different responses. The study of these responses is very important for the organisation. Every organisation demands a particular type of behaviour from their employees and such behaviours can be discovered through observation, learning, exposure, training, etc.

2.1.2 What is personality ?

Personal characteristics that lead to consistent patterns of behavior Observable patterns of behaviour that last over time (Trait theory) How the unconscious of an individual reacts to stimuli (Psychoanalytic theory) Self-actualization and the drive to realize one's potential (Humanistic theory).

According to Slocum and Hellriegel, 'Personality represents the overall profile or combination of stable psychological attributes that capture the unique nature of a person. It combines a set of mental and physical characteristics that reflects how a person looks, thinks, acts and feels.' Fred Luthans has defined personality as people's external appearance and traits, their inner awareness of self, and the person-situation interaction make up their personalities. S P Robbins observes that personality is 'sum total of ways in which an individual reacts to and interacts with others'.

Four Personality Attributes

- 1. Internal Locus of Control:** People who believe that they can control their own destinies are said to have internal locus of control

2. External Locus of Control: People who believe that things happen just by accident or chance are said to have external locus of control.

3. Authoritarianism: Following are the traits of an authoritarian person –

- Intellectually rigid
- Judgmental,
- Suspicious,
- Resistant to change,
- Respects highly placed people
- Exploits subordinates

Machiavellianism: Following are the traits of Machiavellian person –

- Pragmatic
- Keeps an emotional distance
- Believes that ends justify means
- Takes decision quickly
- Takes greater.

2.1.3 What shapes personality ?

Meaning of Personality

Personality is the psychological characteristic of human beings that influences the way people behave when they interact with others and react to a particular situation. Psychological characteristics are determined partly by heredity and partly by the environment of an individual. According to psychologists, personality is a dynamic.

Definition of Personality

According to Gordon Allport, “Personality is the dynamic organization within the individual of those psychophysical systems that determine his unique adjustments to his environment.”

1. Heredity

We inherit 60-70% abilities and intelligence About 50% of our overall personality 30-40% of our religious and political beliefs (Minnesota Studies); 30-50% shyness and tendency to get upset easily (Bouchard and others). Physical stature, facial attractiveness, gender, temperament, muscle composition and reflexes, energy levels etc are broadly attributed to biological factors. Parents’ biological, physiological and inherent psychological make-up contribute to an individual’s personality to a great extent.

According to 'Heredity' approach, the ultimate explanation of an individual's personality is the molecular structure of the genes, located in the chromosomes. However, the critics observe that if personality characteristics were completely dictated by heredity, they would be fixed at birth and no amount of experience/learning could alter them. There are evidences to prove that experience and learning can shape one's personality to a fairly great extent although changing physical features and personal disposition is not possible.

Socialization: Socialization involves learning the following :

- Social customs
- Values
- Norms
- Attitudes
- Relationships
- Hierarchies
- Structures

Environment plays an important role in shaping one's personality. People are greatly influenced by culture, values, traditions, formal and informal groups etc. More importantly, an individual learns to react to situations in a particular way as a result of socialization process one is exposed to.

2. Person-situation interaction

An individual's personality, although generally stable and consistent, does change in different situations. Individuals react to different situations differently. Moreover, individuals may also react differently to an identical situation. Thus, person-situation interactions keep adding to overall development of one's personality risks.

3. **Personality Determinants**

An individual's personality traits and attitudes determine his/her behaviour to a large extent. Invariably, these factors also have an impact on the person's behaviour at the work place. Hence, a study of the influence of personality and the attitudes of human beings is helpful in getting a better understanding of organizational behaviour.

2.1.4 Big Five Personality Factors

A) Big Five Model of Personality Trait

There are five important personality traits that form the basis of an individual's behavior. They are :

1. Extroversion

Extroverts are those people who have a high degree of comfort in interacting with others. They are sociable, friendly, and outgoing in nature. On the other hand, introverts are reclusive in nature. They avoid developing new relationships and hesitate to interact with people. These traits play a great role in behavior as well as the attitude of employees toward their jobs as well as the organization. For instance, an extrovert would be highly satisfied as a public relations (PR) officer.

2. Agreeableness

Individuals who give preference to group interest rather than to their individual interests in order to maintain peace and accord are said to be agreeable in nature. Employees with such a personality trait help in developing a good working relationship in the organization. On the contrary, less agreeable people are more self-centered and give preference to their individual needs.

3. Conscientiousness

Individuals who are very conscientious are generally very responsible and achievement-oriented in nature. They set specific goals and dedicate themselves to the achievement of that goal. In organizations too, such people perform their jobs better and strive toward achieving of organizational goals. Less conscientious people set a number of goals but fail to achieve any of them.

4. Emotional Stability

Emotionally stable people can endure stressful situations. They tend to feel emotionally secure. Such people can overcome tensions and perform their jobs effectively even under severe pressure.

5. Openness to experience

People who have a high level of openness tend to be more creative and also have a wide range of interests. Such individuals are open to learning and contribute constructively to the organization. People who have a low level of openness, on the other hand, usually have narrow interests and rigid mindsets.

B) MBTI Model of Personality

During the 1920s the Swiss psychologist Carl Jung proposed a personality theory that, as stated earlier, identifies the way people prefer to perceive their environment. Twenty years later, the mother and daughter team of Katherine Briggs and Isable Briggs-Myers developed the Myers- Briggs Type Indicator (MBTI), a personality test that measures each of the traits of Jung's model.

Mainly used in the employee hiring process, MBTI measures how people prefer to focus their attention (extroversion versus introversion), collect information (sensing versus intuition), process and evaluate information (thinking versus feeling), and orient themselves to the outer world (judging versus perceiving). Extroversion and introversion have been discussed in the earlier section. The other dimensions are examined below.

- 1. Sensing/Intuitions:** Some people like collecting information. Sensing types use an organised structure to acquire factual and preferably, quantitative details. In contrast, intuitive people collect information non-systematically. They rely more on subjective evidence, as well as on their intuition, and even inspiration. Sensors are capable of synthesising large volumes of data and draw quick conclusions. Needless it is to say, the work of management demands a combination of intuitive and sensing abilities.
- 2. Thinking/Feeling:** Thinking types rely on the rational cause-effect logic and scientific method to make decisions. They weight the evidence objectively and unemotionally. Feeling types, instead, consider how their choices affect others. They weigh the options against their personal values more than on rational logic.

A good manager uses both mind (thinking) and heart (feeling). It is too well-known that how one feels about a decision can determine the success of its implementation just as much as the logic of that decision. The realities of organisational life often evoke emotions that play a dominant role in a manager's behaviour. Fear of failure, fear of the laws, excitement about a product, compassion for an employee, anger at another person, and the like, are but examples of emotional forces that appear in the day-to-day life of a firm.
- 3. Judging/Perceiving:** Some people prefer order and structure in their relationship with their outer world. These judging types enjoy the control of decision making and want to resolve problems quickly. In contrast, perceiving types are more flexible. They like to adapt spontaneously to events as they unfold and want to keep their options open. To be effective as a manager, one needs to operate at times in perceiving mode and at times in a judging mode. The tensions that

develop between 'Perceivers' and 'Judges' can be sources of conflict in organisations.

Besides employee-hiring, MBTI is used in team-building too. As members of a team learn to understand and even appreciate differences among them, they are better able to build on complementary strengths and ways of dealing with problems. Intuitive types have the ability to make creative leaps on thinking, but often need the more sensing types to make sure all that facts are being considered. Similarly, perceivers will tend to engage in the endless exploration of alternatives and really need to be balanced by judging types, who are more inclined to move quickly to decisions. An effective team learns to build on these differences.

C) Other Personality Trait

a) Authoritarianism

This trait is used to describe an individual having strong belief in legitimate formed authority, considers obedience to authority necessary, adheres to traditional value system, is intellectually rigid, opposes the use of feelings, oriented towards conformity to rules and regulations and prefer autocratic or directive leadership.

b) Machiavellianism

Such people are prone to involve in organisational politics and practices game playing and power tactics. Jobs requiring bargaining skills and commissioned sales efforts are performed better by machiavellianism.

c) Introversion and Extroversion

Introverts are those who have less interpersonal orientation and are less sociable. They are less gregarious and talkative. They are shy, quiet and retiring people. These people excel at tasks that require thought and analytical skills.

Extroverts are more talkative, outgoing, gregarious, sociable and having interpersonal orientation. Extroverts are suitable for tasks requiring more interaction with others.

d) Risk Taking

High risk taking managers make rapid decisions and use less information in making their choices. Such a trait proves more effective for a stock trader in a brokerage firm, but acts as a disadvantage for accountants performing auditing activity. Whereas it is reverse with respect to low risk takers.

2.2 LEARNING THEORIES

Learning can be defined as the process leading to relatively permanent behavioral change or potential behavioral change. In other words, as we learn, we alter the way we perceive our environment, the way we interpret the incoming stimuli, and therefore the way we interact, or behave. John B. Watson (1878-1958) was the first to study how the process of learning affects our behavior, and he formed the school of thought known as Behaviorism.

The central idea behind behaviorism is that only observable behaviors are worthy of research since other abstraction such as a person's mood or thoughts are too subjective. This belief was dominant in psychological research in the United States for 50 years.

Perhaps the most well known Behaviorist is B. F. Skinner (1904-1990). Skinner followed much of Watson's research and findings, but believed that internal states could influence behavior just as external stimuli. He is considered to be a Radical Behaviorist because of this belief, although nowadays it is believed that both internal and external stimuli influence our behavior.

Behavioral Psychology is basically interested in how our behavior results from the stimuli both in the environment and within ourselves. They study, often in minute detail, the behaviors we exhibit while controlling for as many other variables as possible. Often a grueling process, but results have helped us learn a great deal about our behaviors, the effect our environment has on us, how we learn new behaviors, and what motivates us to change or remain the same.

2.2.1 Most Influential Theories of Learning

Learning is defined as a process that brings together personal and environmental experiences and influences for acquiring, enriching or modifying one's knowledge, skills, values, attitudes, behaviour and world views. Learning theories develop hypotheses that describe how this process takes place. The scientific study of learning started in earnest at the dawn of the 20th century. The major concepts and theories of learning include behaviourist theories, cognitive psychology, constructivism, social constructivism, experiential learning, multiple intelligence, and situated learning theory and community of practice.

1. Behaviourism

The behaviourist perspectives of learning originated in the early 1900s, and became dominant in early 20th century. The basic idea of behaviourism is that

learning consists of a change in behaviour due to the acquisition, reinforcement and application of associations between stimuli from the environment and observable responses of the individual. Behaviourists are interested in measurable changes in behaviour. Thorndike, one major behaviourist theorist, put forward that (1) a response to a stimulus is reinforced when followed by a positive rewarding effect, and (2) a response to a stimulus becomes stronger by exercise and repetition. This view of learning is akin to the “drill-and-practice” programmes. Skinner, another influential behaviourist, proposed his variant of behaviourism called “operant conditioning”.

In his view, rewarding the right parts of the more complex behaviour reinforces it, and encourages its recurrence. Therefore, reinforcers control the occurrence of the desired partial behaviours. Learning is understood as the step-by-step or successive approximation of the intended partial behaviours through the use of reward and punishment. The best known application of Skinner’s theory is “programmed instruction” whereby the right sequence of the partial behaviours to be learned is specified by elaborated task analysis.

2. Cognitive psychology

Cognitive psychology was initiated in the late 1950s, and contributed to the move away from behaviourism. People are no longer viewed as collections of responses to external stimuli, as understood by behaviourists, but information processors. Cognitive psychology paid attention to complex mental phenomena, ignored by behaviourists, and was influenced by the emergence of the computer as an information-processing device, which became analogous to the human mind. In cognitive psychology, learning is understood as the acquisition of knowledge: the learner is an information-processor who absorbs information, undertakes cognitive operations on it, and stocks it in memory. Therefore, its preferred methods of instruction are lecturing and reading textbooks; and, at its most extreme, the learner is a passive recipient of knowledge by the teacher.

3. Constructivism

Constructivism emerged in the 1970s and 1980s, giving rise to the idea that learners are not passive recipients of information, but that they actively construct their knowledge in interaction with the environment and through the reorganization of their mental structures. Learners are therefore viewed as sense-makers, not simply recording given information but interpreting it. This view of learning led to the shift from the “knowledge-acquisition” to “knowledge-construction”

metaphor. The growing evidence in support of the constructive nature of learning was also in line with and backed by the earlier work of influential theorists such as Jean Piaget and Jerome Bruner. While there are different versions of constructivism, what is found in common is the learner-centred approach whereby the teacher becomes a cognitive guide of learner's learning and not a knowledge transmitter.

4. Social learning theory

A well-known social learning theory has been developed by Albert Bandura, who works within both cognitive and behavioural frameworks that embrace attention, memory and motivation. His theory of learning suggests that people learn within a social context, and that learning is facilitated through concepts such as modeling, observational learning and imitation. Bandura put forward "reciprocal determinism" that holds the view that a person's behavior, environment and personal qualities all reciprocally influence each others. He argues that children learn from observing others as well as from "model" behaviour, which are processes involving attention, retention, reproduction and motivation. The importance of positive role modeling on learning is well documented.

5. Socio-constructivism

In the late 20th century, the constructivist view of learning was further changed by the rise of the perspective of "situated cognition and learning" that emphasized the significant role of context, particularly social interaction. Criticism against the information-processing constructivist approach to cognition and learning became stronger as the pioneer work of Vygotsky as well as anthropological and ethnographic came forwards to gather information.

The essence of this criticism was that the information-processing constructivism saw cognition and learning as processes occurring within the mind in isolation from the surrounding and interaction with it. Knowledge was considered as self-sufficient and independent of the contexts in which it finds itself. In the new view, cognition and learning are understood as interactions between the individual and a situation; knowledge is considered as situated and is a product of the activity, context and culture in which it is formed and utilized. This gave way to a new metaphor for learning as "participation" and "social negotiation".

6. Experiential learning

Experiential learning theories build on social and constructivist theories of learning, but situate experience at the core of the learning process. They aim to understand the manners in which experiences – whether first or second hand – motivate learners and promote their learning. Therefore, learning is about meaningful experiences – in everyday life – that lead to a change in an individual's knowledge and behaviours. Carl Rogers is an influential proponent of these theories, suggesting that experiential learning is “self-initiated learning” as people have a natural inclination to learn; and that they learn when they are fully involved in the learning process.

Rogers put forward the following insight: (1) “learning can only be facilitated: we cannot teach another person directly”, (2) “learners become more rigid under threat”, (3) “significant learning occurs in an environment where threat to the learner is reduced to a minimum”, (4) “learning is most likely to occur and to last when it is self-initiated”. He supports a dynamic, continuous process of change where new learning results in and affects learning environments. This dynamic process of change is often considered in literatures on organizational learning.

7. Multiple intelligences

Challenging the assumption in many of the learning theories that learning is a universal human process that all individuals experience according to the same principles, Howard Gardner elaborated his theory of ‘multiple intelligences’ in 1983. His theory also challenges the understanding of intelligence as dominated by a single general ability. Gardner argues that every person's level of intelligence actually consists of many distinct “intelligences”. These intelligences include: (1) logical-mathematical, (2) linguistic, (3) spatial, (4) musical, (5) bodily-kinesthetic, (6) interpersonal, and (7) intrapersonal. Although his work is speculative, his theory is appreciated by teachers in broadening their conceptual framework beyond the traditional confines of skilling, curriculum and testing. The recognition of multiple intelligences, for Gardner, is a means to achieving educational goals rather than an educational goal in and of itself.

8. Situated learning theory and community of practice

“Situated learning theory” and “community of practice” draw many of the ideas of the learning theories considered above. They are developed by Jean Lave and

Etienne Wenger. Situated learning theory recognizes that there is no learning which is not situated, and emphasizes the relational and negotiated character of knowledge and learning as well as the engaged nature of learning activity for the individuals involved. According to the theory, it is within communities that learning occurs most effectively.

Interactions taking place within a community of practice – e.g. cooperation, problem solving, building trust, understanding and relations – have the potential to foster community social capital that enhances the community members' wellbeing. Thomas Sergiovanni reinforces the idea that learning is most effective when it takes place in communities. He argues that academic and social outcomes will improve only when classrooms become learning communities, and teaching becomes learner-centered. Communities of practice are of course not confined to schools but cover other settings such as workplace and organizations.

2.2.2 The Perceptual Process

Perception is a process consists of several sub-processes. One can take an input-throughput-output approach to understand the dynamics of the perceptual process. This approach emphasises that there is input, which is processed and gives output. The stimuli in the environment – subjects, events, or people – can be considered as the perceptual inputs. The actual transformation of these inputs through the perceptual mechanisms of selection, organisation, and interpretation can be treated as the throughputs, and the resultant opinions, feelings, attitudes, etc., which ultimately influence our behaviour, can be viewed as the perceptual outputs.

One type of input is physical stimuli from the outside environment; the other type of input is provided by individuals themselves in the form of certain pre-dispositions (expectations, motives, and learning) based on previous experience. The combination of these two very different kinds of inputs produces for each human being a very private, very personal picture of the world. Because each person is a unique individual, with unique experiences, needs, wants, desires, and expectations, it follows that each individual's perceptions are also unique. This explains why no two people see the world in precisely the same way.

The steps in the perceptual process – selection, organisation, and interpretation– are shown in figure.

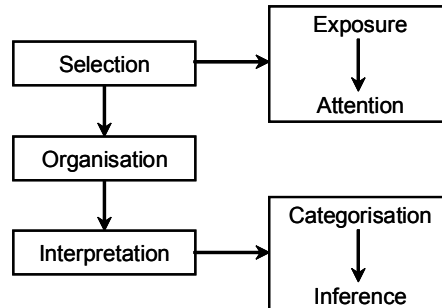


Fig. : Process of Perception

A) Perceptual Selectivity

There are a variety and a multitude of stimuli confronting us everyday affecting all our senses. Out of all these stimuli, people select only some. Perceptual selectivity refers to the tendency to select certain objects from the environment for gaining attention such that these objects are consistent with our existing beliefs, values and needs.

Without this ability of selection, the individuals will not be able to consider all available information necessary to initiate behaviour. This selectivity is enhanced by two related processes :

1. **First Process**, known as, “**sensory activation**” assumes that our senses are activated only by a certain type of stimuli so that some stimuli may go unnoticed if these are not strong, bright or loud enough to activate our senses.
2. **Second process**, known as, “**sensory adaptation**” relates to our ability to tune out certain stimuli to which we have been continuously exposed. **For example**, a new home owner near an airport might be excessively bothered by the noise, but such noise does not bother those who have been living there for a long time and have been exposed to the noise over the long period.

Thus, many objects or stimuli are stopped from entering our perceptual system by the above two processes. All the remaining stimuli must compete for attention. Various external and external factors influence the process of stimuli selection.

2.2.3 Factors in Perceptual Selectivity

1. Internal or Personal Factors in Perceptual Selectivity

The internal factors relate to the perceiver and include such factors as learning and motivation. These factors are self concept, beliefs, expectations, inner needs, response disposition, response salience and perceptual defence.

2. External Factors in Perceptual Selectivity

External factors relate to the characteristics of objects or people that activate our senses and thus get our attention. Some of these external factors are size, intensity, contrast, repetition, novelty and familiarity, motion and order.

B. Perceptual Organisation

Perceptual Organisation emphasises on the subsequent activities that take place in the perceptual process after a stimulus is received. A person rarely perceives the extent of colour, light or sound associated with objects. Instead he perceives organised patterns, stimuli and identifiable whole objects.

2.2.4 Factors Affecting Perceptual Organisation

1. Figure and Ground

Figure-Ground principle is generally considered to be the most basic form of perceptual organisation. This principle simply implies that the perceived object or person or event stands out distinct from its background and occupies the cognitive space of the individual. The white as the background and black as the letters or words to be read. We should try to understand what the white spaces in the middle of black letters could mean.

Likewise, in the organisational setting, some people are more noticed or stand out than others. For example, an individual in the organisation might try to focus his entire attention on his immediate supervisor, trying to be in his good books, completely ignoring his colleagues and how they feel about his behaviour. Thus according to this principle, the perceiver tends to organise only the information which stands out in the environment which seems to be significant to the individual.

2. Perceptual Grouping

Grouping is the tendency to curb individual stimuli into meaningful patterns. For example, if we perceive objects or people with similar characteristics, we tend to group them together and this organising mechanism helps us to deal with information in an efficient way rather than getting bogged down and confused with so many details. Some of the factors underlying his grouping are:

- i) **Similarity:** According to this principle, when objects and things are similar they are perceived as in the same group. For example, workers wearing same uniform tend to be perceived as one although they have their own different personalities.

- ii) **Proximity:** The principle of proximity or nearness states that a group of stimuli that are close together will be perceived as a whole pattern of parts belonging together. Employees often perceive other employees working together in a department as a team or unit because of their physical proximity. For example, four people on the third floor of a large office building quit their jobs. Even if they did so for completely unrelated reasons, the human resource department may perceive the resignation as a problem on the third floor and examine the morale, pay, and working conditions there in an attempt to determine what is wrong.
- iii) **Closure:** The principle of closure relates to the tendencies of the people to perceive objects as a whole, even when some parts of the object are missing. The person's perceptual process will close the gaps that are unfilled from sensory input. For example, a manager perceives complete agreement of his workers on a given project, when, in fact, there was opposition from several workers.
- iv) **Continuity:** Continuity is closely related to closure. But there is a difference. Closure supplies missing stimuli, whereas the continuity principle says that a person will tend to perceive continuous lines of pattern. The continuity may lead to inflexible or non creative thinking on the part of the organisational participants. For example, the tendency to perceive continuous patterns may result in an inability to perceive uniqueness and to detect change. In economic or business forecasting, a common continuity error is to assume that the future will be a simple continuation of current events and trends.

3. Perceptual Constancy

Constancy is one of the more sophisticated forms of perceptual organisation. This concept gives a person a sense of stability in this changing world. This principle permits the individuals to have some constancy or stability in a tremendously variable and highly complex world. If constancy were not at work, the world would be very chaotic and disorganised for the individual. There are several aspects of constancy:

- i) **Shape Constancy:** Whenever an object appears to maintain its shape despite marked changes in the retinal image e.g. the top of a glass bottle is seen as circular whether we view it from the side or from the top.
- ii) **Size Constancy:** The size constancy refers to the fact that as an object is moved further away from us we tend to see it as more or less invariant in size. For example, the players in cricket field on the opposite side of the field do not look smaller than those closer to you even though their images on the retina of the eye are much smaller.

iii) **Colour Constancy:** Colour constancy implies that familiar objects are perceived to be of the same colour in varied conditions. The owner of a red car sees it as red in the bright sunlight as well as in dim twilight. Without perceptual constancy the size, shape and colour of objects would change as the worker moved about and it would make the job almost impossible.

4. **Perceptual Context**

The highest and most sophisticated form of organisation is 'perceptual context'. It gives meaning and value to simple stimuli, objects, events, situations and other persons in the environment. The organisational structure and culture provide the primary context in which workers and managers do their perceiving. For example, a verbal order, a new policy, a pat on the back, a raised eye brow or a suggestion takes on special meaning when placed in the context of the work organisation.

5. **Perceptual Defence**

Closely related to perceptual context is the perceptual defence. A person may build a defence against stimuli or situational events in a particular context that are personally or culturally unacceptable or threatening. Accordingly, perceptual defence may play a very important role in understanding union-management and supervisor-subordinate relationship. It is existence of a perceptual defence mechanism.

The various defences may be denial of an aspect, by modification and distortion, by change in the perception, then the last but not the least is recognition but refusal to change.

C. **Perceptual Interpretation**

After the data have been received and organised, the perceiver interprets the data in various ways. Perception is said to have taken place only after the data are interpreted. Indeed, perception is essentially giving meaning to the various data received and interpreted.

The interpretation of stimuli is uniquely individual because it is based on what individuals expect to see in light of their previous experience. Stimuli are often highly ambiguous. When stimuli are highly ambiguous, individuals usually interpret them in such a way that they serve to fulfil personal needs, wishes, and interests. How close a person's interpretations are to reality depends on the clarity of the stimulus, the past experiences of the perceiver, and his or her motives and interests at the time of perception.

Features of Perceptual Interpretation

There are the following features of perceptual interpretation :

1. **Dynamic/Influential**

The interpretation of stimuli is uniquely individual because it is based on what individuals expect to see in light of their previous experiences, the number of plausible explanations they can envision, and their motives and interests at the time of perception.

2. **Ambiguous in Nature**

Stimuli are often highly ambiguous. When stimuli are highly ambiguous, individuals usually interpret them in such a way that they serve to fulfill personal needs, wishes, and interests.

3. **Depends on Stimuli**

How close a person's interpretations are to reality depends on the clarity of the stimulus, the past experiences of the perceiver, and his or her motives and interests at the time of perception.

Factors influencing perception

1. **Locus of Control**

Locus of control refers to the degree of control a person believes he/she has over his/her fate. People who believe that they are the masters of their own fate are known as internals while those who believe that fate is controlled by luck, chance, or external forces are called externals. The following traits are found in internals and externals:

- (a) **Internals:** Internals are committed to work, are highly satisfied with their jobs, and show a low rate of absenteeism. They take credit for success or the responsibility for failure, as they attribute their performance to their internal abilities. Internals are highly achievement oriented and can contribute constructively to the success of organizations.
- (b) **Externals:** Externals show little commitment to work, are dissatisfied with their work, and show a high rate of absenteeism. Accordingly, externals believe that they have minimum control over the organizational outcomes and tend to show little interest in improving the outcome. They depend on the directions given by the management and are reluctant to take the initiative. The way that organizations can benefit from externals is by assigning structured and routine tasks to them.

2. Machiavellianism

This quality refers to the extent to which a person is pragmatic in maintaining an emotional distance from others. Such a person believes that the ends justify the means. It is observed that people with this quality are manipulative and go to any extent to accomplish a task.

3. Self-Esteem

Self-esteem is the degree of liking people have for themselves. This attribute determines the level of confidence people have in themselves. People with high self-esteem are generally very confident. They believe that they have the capability to achieve success and hence take up unconventional and challenging tasks. It has also been observed that individuals with high self-esteem derive high satisfaction from their work.

4. Self-monitoring

Self-monitoring is the degree of flexibility people exhibit in adapting themselves to the changing situations. High self-monitors adopt very easily to the requirements of the situation. They can adopt their behaviour to the demands of the situation. Self-monitors also make successful managers. On the other hand, low self-monitors cannot hide their true emotions and are less flexible in adapting to changing situations. It has been observed that high self-monitors are more successful in their careers than low self-monitors.

5. Risk Taking

This refers to the extent to which people are prepared to take risks. People who are high risk-takers make decisions and do not collect much information on which to base their decisions. Risk-averse people are meticulous and gather a lot of information before making a decision. However, it has been observed that the accuracy of taking a decision in both the cases is almost the same. In organizations, the suitability of a person's risk-taking or risk-averse behavior is dependent on the duties and responsibilities of the job taken up by the person.

6. Type A Personality

Individuals who give extreme importance to time and to completing work on time are said to have 'Type A' personality. Such people are highly ambitious and attempt to achieve a lot of tasks within a short time period. They are usually quick in everything they do. Also the speed at which things generally occur upsets them. People with Type A personalities also find it difficult to cope with leisure time. They keep themselves busy and do not enjoy leisure.

On the contrary, people with Type B personalities are not obsessed with achieving a number of tasks within a short period. They maintain a low profile and do not discuss their achievements unless the situation demands it. Individuals with Type A personalities are more suitable in jobs where a lot is required to be achieved within a limited time period. For instance, jobs like those of salespersons, business development executives, etc. are suitable for Type A personalities. Type B personalities can do more justice to routine jobs such as clerical positions in banks.

2.3 INTERNAL & EXTERNAL

Individuals may look at the same thing, yet perceive it differently. A number of factors operate to shape and sometimes distort perception. These factors are shown in figure.

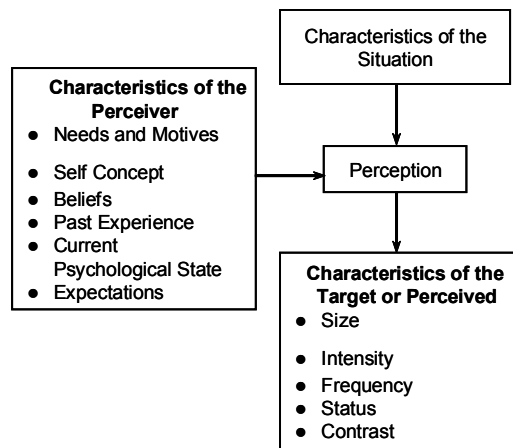


Fig. : Factors Influencing Perception

1. Characteristics of the Perceiver (Internal Factors)

- (i) **Needs and Motives** : People's perception is determined by their inner needs. A need is a feeling of tension or discomfort when one thinks he is missing something or requires something. People with different needs usually experience different stimuli. Similarly people with different needs select different items to remember or respond to.
- (ii) **Self Concept** : The way a person views the world depends a greatly on self-concept or image he has about himself. The self-concept plays an important role in perceptual selectivity.
- (iii) **Beliefs** : A person's beliefs have profound influence on his perception. Thus, a fact is conceived not on what it is but what a person believes it to be.

- (iv) **Past Experience** : A person's past experiences mould the way he perceives the current situations. If a person has been betrayed by a couple of friends in the past, he would tend to distrust any new friendship that he might be in the process of developing.
- (v) **Current Psychological State** : The emotional and psychological states of an individual are likely to influence how things are perceived. If a person is depressed, he is likely to perceive the same situation differently than if he is elated.
- (vi) **Expectations** : Expectations affect what a person perceives. Thus, a technical manager may expect ignorance about the technical feature of a product from the nontechnical people.

2. Characteristics of the Target or Perceived (External Factors)

- (i) **Size** : The bigger the size of the perceived stimulus, the higher is the probability that it is perceived. Size attracts the attention of an individual. It establishes dominance and enhances perceptual selection.
- (ii) **Intensity** : High intensity increases the chances of selection. If the message is bright, if sentences are underlined, it gets more attention than in normal case. The greater the intensity of stimulus, the more likely it will be noticed.
- (iii) **Frequency** : Repeated external stimulus is more attention-attracting than a single time. Repetition increases our sensitivity and alertness to the stimulus. Thus, greater the frequency with which a sensory stimulus is presented, the greater than chances we select it for attention.
- (iv) **Status** : Perception is also influenced by the status of the perceiver. High status people can exert greater influence on perception of an employee than low status people.
- (v) **Contrast** : Stimuli that contrast with the surrounding environment are more likely to be attention catching than the stimuli that blend in. A contrasting effect can be caused by colour/size or any other factor that is unusual. The contrast principle states that external stimuli stand out against the background, not what are expected will receive better attention.

3. Characteristics of the Situation

The context in which objects or events is seen, is important. Elements in the surrounding environment influence, our perception. The time at which an object or event is seen can influence attention, as can location, light, heart, or any other situational factors.

2.3.1 Attitudes and Behaviour

Meaning of Attitude

Attitude is a relatively permanent organizing or cognitive, perceptual, emotional, and motivational process with respect to some aspect of our environment. It is primarily a learned predisposition to respond in a consistently favorable or unfavorable manner with respect to a given object. Thus, an attitude is the way we think, feel, and act toward some aspect of our environment.

2.3.2 Definitions of Attitude

According to Bem, “Attitudes are likes and dislikes.”

According to Engel, “Attitudes are an overall evaluation that allows one to respond in a consistently favourable or unfavourable manner with respect to a given object or alternative”.

According to Allport, “Attitude is learned predispositions to respond to an object or class of object in a consistently favorable or unfavorable way”

A definition of attitude popularized by cognitively oriented social psychologists is, “an enduring organisation of motivational, emotional, perceptual, and cognitive process with respect to some aspect of the individual’s world”.

2.3.3 Nature of Attitudes

This definition incorporates four important aspects of attitudes :

- i) Attitudes are learned through experiences ;
- ii) They predispose people to behave (respond) in certain ways.
- iii) Attitudes and behaviour conform to a principle of consistency; and
- iv) The unfavourable or favourable manner of behaving reflects the evaluative component of attitudes

Beliefs

Attitudes → Intentions → Behaviour

Values

Thus, an attitude is formed from a confluence.

or somebody. Further, an attitude gives rise to an intention to behave in a certain way which in turn gives rise to the behaviour itself.

Fred Luthans rightly observes that attitude is a complex cognitive process, but can be characterized three ways. First, they tend to persist unless something is done to change them. Second, attitudes can fall anywhere along a continuum from very favourable to very unfavourable. Third, attitudes are directed toward some object about which a person has feelings and beliefs.

2.3.4 Types of Attitudes

In organizations, attitudes are important because they affect job behaviour. Robbins classifies job-related attitudes into three types - Job Satisfaction, Job Involvement, and Organizational Commitment.

- i) **Job Satisfaction** : Job satisfaction refers to an individual's general attitude towards his job. Job satisfaction or job dissatisfaction is the result of various attitudes the person holds towards his job related factors, and towards life in general. Blum defines job satisfaction as a general attitude which a worker has as a consequence of several specific attitudes in the following three areas : specific job factors, individual adjustment, and group relationships outside the job.
- ii) **Job Involvement** : Job involvement refers to the extent to which an individual identifies with his job, actively participates in it, and considers his performance important to self-worth. An individual with a high level of job involvement is likely to be highly satisfied, more productive and less prone to leave the work than the one with low level of job involvement.
- iii) **Organizational commitment** : Organizational commitment refers to an individual's orientation towards the organization in terms of loyalty, identification, and involvement. With high organizational commitment, an individual identifies with a particular organization and its goals, and wishes to maintain membership in the organization. Highly committed individual is more likely to be a better performer and is less prone to resign than the one with a level of organizational commitment.

2.3.5 Functions of Attitudes

In the study of organizational behaviour it is important to understand the functions of attitudes. Basically, attitudes help to predict work behaviour. Secondly, attitudes often help employees to adapt to their work environments. Katz describes the four different functions that attitudes play in this process.

- i) **Adaptive function** : Expression of certain attitudes in particular social contexts has a utility (instrumentality) in obtaining rewards or avoiding punishments. Thus, attitudes help people to adjust to their environment.

- ii) **Ego-defensive function** : Attitudes help people to protect their self-image. Individuals make use of various ego- defense mechanisms so that their attitude serves to justify their action and to defend the ego and the self-image.
- iii) **Value-expressive function** : Attitudes provide people with a basis for expressing their values. Attitudes explain to others the “type’ or the “sort’ of person an individual believes himself to be, for instance, honest, tolerant, objective, neutral etc. Thus, the value-expressive function gives clarity to the self-image and at the same time brings that self- image closer to the heart’s desire.
- iv) **Knowledge function** : Attitudes form a frame of reference and supply standards to people so that they can organize and explain the world around them and thus can give sense and meaning to it. The knowledge function enables people to assess new information and to make judgements in new settings.

2.3.6 Attitude Formation

Individuals form relationships with each other and a major part of these relationships is a result of their attitudes. Attitudes are formed through three main sources : early socialisation, group affiliation and personal experience.

1. Early socialization

Great many of the attitudes can be traced back to the individual’s childhood and specifically to the messages, injunctions and admonitions by parents, teachers and other authority figures. Usually attitudes towards work, authority, religion, politics, marriage, are acquired through information received and behaviour observed in childhood - for instance, attitude towards police can be positive or negative.

2. Group affiliation

Second major source of attitude formation is the group of friends or colleagues with whom an individual associates. If the individual wishes to belong to, and be accepted by a peer group, he tends to adopt the attitudes appropriate to, or commonly held by that group.

3. Personal experience

Third source of attitude formation is an individual’s own experience, events which occur and which mould his view of the world. Mass communication media like radio, newspaper, TV etc. supply large quantities of information and thus cater to the attitudes of the individuals.

Thus, most of the attitude formation can be traced to early socialization, past and present group affiliation, and the individual's own personal experience of the world.

Attitudes develop in the process of need satisfaction. Individual develops favourable attitudes towards objects and beliefs that satisfy his desires. The individual will develop unfavourable attitude towards objects and persons that block the achievement of his goal.

Attitudes are formed through experience which means that they are learnt. Attitude formation and attitude change are rather inextricably linked in the lives of most people - attitude change is simply the formation of a new attitude in place of in old one.

2.3.7 Attitude Change

Attitudes are very difficult to change, this is so because basically many of the individual's attitudes are acquired from, or significantly influenced by, people whose affection, esteem, or respect he desires. Individuals receive "rewards" in the form of love, approval, or agreement when they express attitudes which are in harmony with those of their parents, friends or teachers. An individual is unlikely to change his attitude which has brought him approval in the past, without any assurance of greater approval following his attitude change.

Thus, one reason why attitudes are difficult to change is because they elicit rewards and an individual does not want to part with rewards unless he is assured of greater ones to follow.

Another reason is "prior commitments". An individual feels committed to a particular course of action and is unwilling to change.

One more factor is "insufficient information". An individual sometimes does not see any reason to change his attitude and continues happily with it though his boss may not like that attitude in him being negative. If the boss can provide more information to him and explain why a negative attitude is detrimental to career progress, the individual may discontinue to have a negative attitude.

Yet another point as to why attitudes are difficult to change relates to the fact that an individual's attitudes are not independent and isolated, but exist in balanced clusters. These clusters are constructed over a period and in such a way as to avoid inherent conflict. An individual tends to be reluctant to change any one attitude as it will probably upset this balance, and cause conflict between the new and the existing attitude.

2.4 GROUP BEHAVIOUR

A group is two or more people who work together for a common purpose. In the organisational context, it is a logical division of organisational members, with an intention to achieve the strategic business objectives. Usually, there is no such common definition for a group. They are often defined in terms of perceptions, motivation, organization, interdependencies and interactions. The noteworthy definitions of group are,

- i) “Group is, two or more persons who are interacting with one another in such a manner that each person influences and is influenced by each other”.

- Marvin E. Shaw

- ii) Group is an aggregate of a small number of persons who work for common goals, develop a shared attitude and are aware that they are part of a group and perceive themselves as such.

- Clovis R. Shepherd

2.4.1 Characteristics of Groups

A group is a collection of people, collectively work-ing for a common achievement. Following points identify the characteristic features of groups.

- 1. Two or More People.** Aggregation of at least two persons. The size of the group will be determined by rules and regulations of the organisation.
- 2. Collective Identity.** Each member of the group must be aware about their membership and must believe that he is a member and is a participant of the group.
- 3. Interaction.** Interaction means that each member shares his ideas with others through communication and this communication can take place, face to face, in writing, over the tele-phone, across a computer network or in any other manner which allows communication among group members. Each member must interact at least occasionally with one or more members of the group.
- 4. Shared Goal Interest.** Members of the group should subscribe to the attainment of some common objectives. If a group has a variety of objectives or interests, each member of the group must share at least one of the groups concerns. The shared goal interest binds the group members together.
- 5. Importance of Groups.** Groups play a vital role in an individual's and in organisational life. They are considered as the building blocks of an organisation.

Organisational success directly depends upon the degree of effectiveness of groups. Following points highlight the benefits that groups serve to individuals and the organisation.

2.4.2 Importance to Organisations

- i) Accomplish complex, independent tasks that are beyond individual capabilities.
- ii) Creates new ideas.
- iii) Coordinates interdepartmental efforts.
- iv) Reduces the complexity of problems and solves them easily.
- v) Implements action plans effectively.
- vi) Socialises and provides training to new employees.
- vii) Sets common social values and expectations in tune with organisational culture.
- viii) Provides and enforces guidelines for appropriate behaviour.
- ix) Provides a sense of identity that includes a certain degree of status.
- x) Integrates new employees with organisational expectations.

2.4.3 Importance to Individuals

- i) Satisfies the need for affiliation.
- ii) Confirms identity and enhances self-esteem.
- iii) Test and share perceptions of social reality.
- iv) Reduces the feeling of insecurity and powerlessness.
- v) Provides a mechanism for solving personal and interpersonal problems.

2.4.4 Fundamentals of Groups

1. **Degree of Dependency on the Group.** The more dependent a person is on a group the greater will be groups attractiveness and greater will be its consequences.
2. **Size.** Group cohesiveness increases through interaction among group members. Interaction is high if group is small and interaction is less when the group is large.
3. **Homogeneity and Stable Membership.** Stable relationships among members enhance group cohesiveness. This is because the relationships have to persist

over a period of time to permit people to know one another, to develop common understanding of shared goals and values.

4. **Location of the Group.** If the group members are located close to each other, they interact themselves frequently and freely. If the group is isolated from other groups, then the cohesion is usually high.
5. **Group Status.** A successful group with high status is more alterative. Therefore, they show solidarity among themselves and group cohesion tends to be high.
6. **Group Leadership.** If the leader is dynamic and energetic, he motivates the group members to work with zeal for attainment of common goals. He tries to build and maintain high group loyalty among members. Thus, the qualities of the group leader determine the extent to which the group members bind themselves with the group.
7. **Outside Pressure.** When there is pressure from outside, group members tend to minimise their personal differences in order to fight to common enemy. As such members of a group tend to herd together to face challenges from outside pressure.
8. **Competition.** There is intragroup and intergroup competition. Intragroup competition is among the group members. Intragroup competition is among different groups. Competition between members of the group is usually destructive to group cohesiveness. Intergroup competition brings cohesiveness in the group.

2.5 STAGES OF DEVELOPMENT

A group can be defined as several individuals who come together to accomplish a particular task or goal. Group dynamics refers to the attitudinal and behavioral characteristics of a group. Group dynamics concern how groups form, their structure and process, and how they function. Group dynamics are relevant in both formal and informal groups of all types. In an organizational setting, groups are a very common organizational entity and the study of groups and group dynamics is an important area of study in organizational behavior.

The following sections provide information related to group dynamics. Specifically, the formation and development of groups is first considered. Then some major types or classifications of groups are discussed. Then the structure of groups is examined.

2.5.1 Stages of Group Development

According to Tuckman's theory, there are five stages of group development: forming, storming, norming, performing, and adjourning. During these stages group members must address several issues and the way in which these issues are resolved determines whether the group will succeed in accomplishing its tasks.

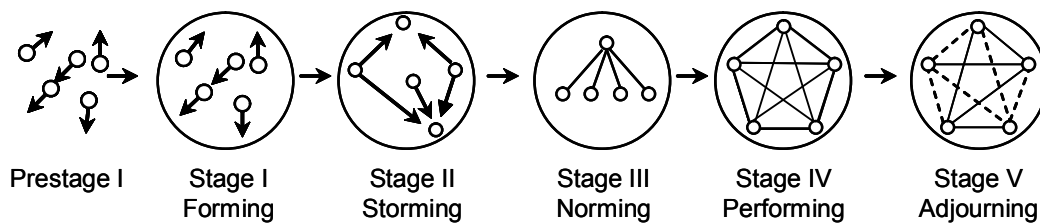


Fig : Stages of Group Development

1. Forming

This stage is usually characterized by some confusion and uncertainty. The major goals of the group have not been established. The nature of the task or leadership of the group has not been determined. Thus, forming is an orientation period when members get to know one another and share expectations about the group. Members learn the purpose of the group as well as the rules to be followed.

The forming stage should not be rushed because trust and openness must be developed. These feelings strengthen in later stages of development. Individuals are often confused during this stage because roles are not clear and there may not be a strong leader.

2. Storming

In this stage, the group is likely to see the highest level of disagreement and conflict. Members often challenge group goals and struggle for power. Individuals often vie for the leadership position during this stage of development. This can be a positive experience for all groups if members can achieve cohesiveness through resolution.

Members often voice concern and criticism in this phase. If members are not able to resolve the conflict, then the group will often disband or continue in existence but will remain ineffective and never advance to the other stages.

3. Norming

This stage is characterized by the recognition of individual differences and shared expectations. Hopefully, at this stage the group members will begin to develop a

feeling of group cohesion and identity. Cooperative effort should begin to yield results. Responsibilities are divided among members and the group decides how it will evaluate progress.

4. Performing

Performing, occurs when the group has matured and attains a feeling of cohesiveness. During this stage of development, individuals accept one another and conflict is resolved through group discussion. Members of the group make decisions through a rational process that is focused on relevant goals rather than emotional issues.

5. Adjourning

Not all groups experience this stage of development because it is characterized by the disbandment of the group. Some groups are relatively permanent. Reasons that groups disband vary, with common reasons being the accomplishment of the task or individuals deciding to go their own ways. Members of the group often experience feelings of closure and sadness as they prepare to leave.

2.5.2 Important Factors influencing Team Effectiveness

There are six major types of teams: informal, traditional, problem solving, leadership, self-directed, and virtual.

Characteristics of these six types of teams.

1. Informal Teams

Informal teams are generally formed for social purposes. They can help to facilitate employee pursuits of common concerns, such as improving work conditions. More frequently however, these teams form out of a set of common concerns and interests, which may or may not be the same as the organization's. Leaders of these teams generally emerge from the membership and are not appointed by anyone in the organization.

2. Traditional Teams

Traditional teams are the organizational groups commonly thought of as departments or functional areas. Leaders or managers of these teams are appointed by the organization and have legitimate power in the team. The team is expected to produce a product, deliver a service, or perform a function that the organization has assigned.

3. Problem Solving Teams

Problem-solving teams or task forces are formed when a problem arises that cannot be solved within the standard organizational structure. These teams are generally cross-functional; that is, the membership comes from different areas of the organization, and are charged with finding a solution to the problem.

4. Leadership Teams

Leadership teams are generally composed of management brought together to span the boundaries between different functions in the organization. In order for a product to be delivered to market, the heads of finance, production, and marketing must interact and come up with a common strategy for the product. At top management levels, teams are used in developing goals and a strategic direction for the firm as a whole.

5. Self-Directed Teams

Self-directed teams are given autonomy over deciding how a job will be done. These teams are provided with a goal by the organization, and then determine how to achieve that goal. Frequently there is no assigned manager or leader and very few, if any, status differences among the team members.

These teams are commonly allowed to choose new team members, decide on work assignments, and may be given responsibility for evaluating team members. They must meet quality standards and interact with both buyers and suppliers, but otherwise have great freedom in determining what the team does. Teams form around a particular project and a leader emerges for that project. The team is responsible for carrying out the project, for recruiting team members, and for evaluating them.

6. Virtual Teams

Technology is impacting how teams meet and function. Collaborative software and conferencing systems have improved the ability for employees to meet, conduct business, share documents, and make decisions without ever being in the same location. While the basic dynamics of other types of teams may still be relevant, the dynamics and management of virtual teams can be very different. Issues can arise with a lack of facial or auditory clues; participants must be taken at their word, even when video-conferencing tools are used.

Accountability is impacted by taking a team virtual. Each member is accountable for their tasks and to the team as a whole usually with minimal supervision. Key factors in the success of a virtual team are effective formation of the team, trust and collaboration between members, and excellent communication.

2.5.3 Essentials for Building Effective Teams

The effectiveness of teams can be achieved with the help of the following :

1. Providing a supportive environment

The performance of teams is largely dependent on the ability and willingness of the team members to perform effectively. Therefore, the management must foster a work environment in the organization that provides support and encourages the members to work toward the fulfillment of organizational goals.

2. Relevant skills and role clarity

Co-ordination among team members plays a vital role in the effectiveness of a team's performance. The management can establish proper co-ordination in teams when it clearly defines the roles and responsibilities of each member in the team. By doing so, every member is aware of the duty he/she has to perform as a part of the entire team. This, in turn, facilitates co-ordination and co-operation in the team.

3. Focus on super ordinate goals

The management must emphasize the overall goals of the team rather than the individual goals of the team members. Super ordinate goals thus are the integrated goals, which can be achieved by the cumulative efforts of two or more individuals. Therefore, by focusing on super ordinate goals, the management encourages the members to think beyond their individual interests. This, in turn, enables the management to improve the effectiveness of the team's performance.

4. Team rewards

Team rewards must be designed in such a way that they encourage teamwork among the members of a team. The management could achieve this by linking rewards to the overall performance of teams. Rewards could be either financial or non-financial.

2.5.4 Characteristics of Effective Teams

Some characteristics of effective teams are clear direction and responsibilities, knowledgeable members, reasonable operating procedures, good interpersonal relationships, shared success and failures, and good external relationships.

1. Clear Direction

Clear direction means that the team is given a clear and distinct goal. The team may be empowered to determine how to achieve that goal, but management,

when forming the team, generally sets the goal. A clear direction also means that team outcomes are measurable.

2. Clear Responsibilities

Clear responsibilities means that each team member understands what is expected of her or him within the team. The roles must be clear and interesting to the team members. Each team member needs to be able to rely on all the other members to carry out their roles so that the team can function effectively.

Otherwise, one or two team members come to feel that they are doing all the work. This is one of the reasons so many individuals are initially reluctant to join teams.

3. Knowledgeable Members

An effective team will be comprised of individuals who have the skills and knowledge necessary to complete the team's task. Cooperation is essential at an early stage in inventorying the skills and knowledge each member brings to the team, and working to determine how to utilize those skills to accomplish the team task.

4. Reasonable Operating Procedures

All teams need a set of rules by which they operate. Sports teams for example, operate according to a clearly laid-out set of rules about how the game is played. Similarly, work teams need a set of procedures to guide meetings, decision making, planning, division of tasks, and progress evaluation. Setting, and sticking to, procedures helps team members become comfortable relying on one another.

5. Interpersonal Relationships

Teams are composed of diverse individuals, each of whom comes to the team with his or her own set of values. Understanding and celebrating this diversity helps to make a stronger, more effective team.

6. Sharing Success and Failures

Everyone wants to feel appreciated. Within a team, members should be willing to express their appreciation, as well their criticisms, of others' efforts. Similarly, the organization must be willing to reward the team for successful completion of a task and hold all members responsible for failure.

7. External Relationships

In the process of building a strong team, groups external to the team are frequently ignored. In order for the team to successfully complete its task, it cannot operate in isolation from the rest of the organization. Teams need help from people within the organization who control important resources. Establishing clear lines of communication with these people early on will facilitate the completion of the team's task.

2.5.5 Team Effectiveness Models

What Factors Determine Whether Teams Are Successful

The four contextual factors most significantly related to team performance are adequate resources, effective leadership, a climate of trust, and a performance evaluation and reward system that reflects team contributions.

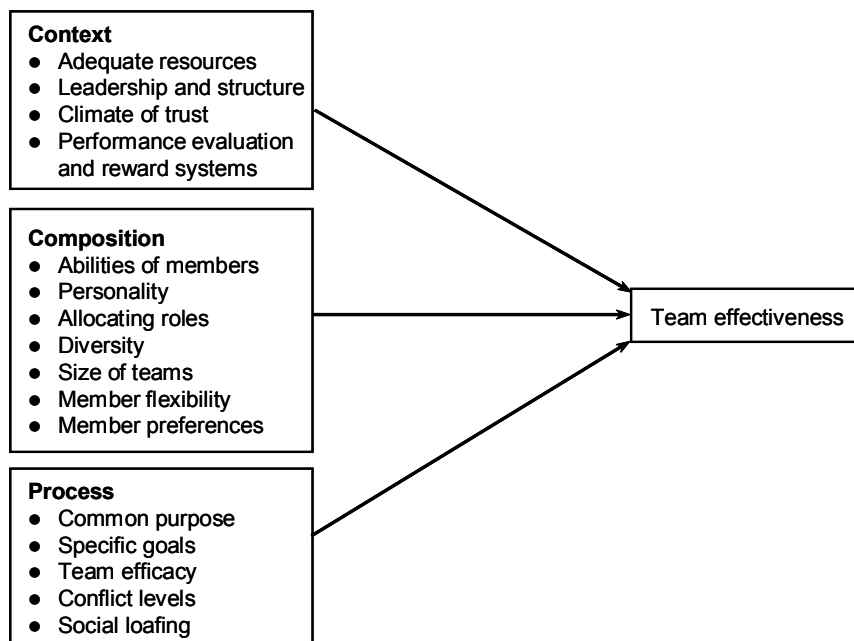


Fig : Team Effectiveness Model

A) Context

1. Adequate Resources

Teams are part of a larger organization system; every work team relies on resources outside the group to sustain it. A scarcity of resources directly reduces the ability

of a team to perform its job effectively and achieve its goals. As one study concluded, after looking at 13 factors related to group performance, “perhaps one of the most important characteristics of an effective work group is the support the group receives from the organization.” This support includes timely information, proper equipment, adequate staffing, encouragement, and administrative assistance.

2. Leadership and Structure

Leadership and Structure Teams can't function if they can't agree on who is to do what and ensure all members share the workload. Agreeing on the specifics of work and how they fit together to integrate individual skills requires leadership and structure, either from management or from the team members themselves. It's true in self-managed teams that team members absorb many of the duties typically assumed by managers. However, a manager's job then becomes managing outside (rather than inside) the team.

3. Climate of Trust

Members of effective teams trust each other. They also exhibit trust in their leaders. Interpersonal trust among team members facilitates cooperation, reduces the need to monitor each others' behaviour, and bonds members around the belief that others on the team won't take advantage of them. Team members are more likely to take risks and expose vulnerabilities when they believe they can trust others on their team.

4. Performance Evaluation and Reward Systems

How do you get team members to be both individually and jointly accountable? Individual performance evaluations and incentives may interfere with the development of high-performance teams. So in addition to evaluating and rewarding employees for their individual contributions, management should modify the traditional, individually oriented evaluation and reward system to reflect team performance. Group-based appraisals, profit sharing, gainsharing, small group incentives, and other system modifications can reinforce team effort and commitment.

B) Team Composition

The team composition category includes variables that relate to how teams should be staffed — the ability and personality of team members, allocation of roles and diversity, size of the team, and members' preference for team-work.

1. Abilities of Members

Part of a team's performance depends on the knowledge, skills, and abilities of its individual members. It's true we occasionally read about an athletic team of mediocre players who, because of excellent coaching, determination, and precision teamwork, beat a far more talented group. But such cases make the news precisely because they are unusual. A team's performance is not merely the summation of its individual members' abilities. However, these abilities set limits on what members can do and how effectively they will perform on a team.

2. Personality of Members

Many of the dimensions identified in the Big Five personality model are also relevant to team effectiveness; a recent review of the literature identified three. Specifically, teams that rate higher on mean levels of conscientiousness and openness to experience tend to perform better, and the minimum level of team member agreeableness also matters: teams did worse when they had one or more highly disagreeable members. Perhaps one bad apple can spoil the whole bunch!

3. Allocation of Roles

Teams have different needs, and members should be selected to ensure all the various roles are filled. A study of 778 major league baseball teams over a 21-year period highlights the importance of assigning roles appropriately. As you might expect, teams with more experienced and skilled members performed better. However, the experience and skill of those in core roles who handle more of the workflow of the team, and who are central to all work processes (in this case, pitchers and catchers), were especially vital. In other words, put your most able, experienced, and conscientious workers in the most central roles in a team.

We can identify nine potential team roles. Successful work teams have selected people to play all these roles based on their skills and preferences. (On many teams, individuals will play multiple roles.) To increase the likelihood the team members will work well together, managers need to understand the individual strengths each person can bring to a team, select members with their strengths in mind, and allocate work assignments that fit with members' preferred styles.

4. Diversity of Members

Many of us hold the optimistic view that diversity should be a good thing—diverse teams should benefit from differing perspectives and do better.

5. Size of Teams

When teams have excess members, cohesiveness and mutual accountability decline, social loafing increases, and more people communicate less. Members of large teams have trouble coordinating with one another, especially under time pressure. Keep teams at nine or fewer members. If a natural working unit is larger and you want a team effort, consider breaking the group into subteams.

6. Member Preferences

Not every employee is a team player. Given the option, many employees will select themselves out of team participation. When people who would prefer to work alone are required to team up, there is a direct threat to the team's morale and to individual member satisfaction. This suggests that, when selecting team members, managers should consider individual preferences along with abilities, personalities, and skills. High-performing teams are likely to be composed of people who prefer working as part of a group.

C) Team Processes

The final category related to team effectiveness is process variables such as member commitment to a common purpose, establishment of specific team goals, team efficacy, a managed level of conflict, and minimized social loafing. These will be especially important in larger teams, and in teams that are highly interdependent.

1. Common Plan and Purpose

Effective teams begin by analyzing the team's mission, developing goals to achieve that mission, and creating strategies for achieving the goals. Teams that establish a clear sense of what needs to be done and how consistently perform better.

2. Specific Goals

Successful teams translate their common purpose into specific, measurable, and realistic performance goals. Specific goals facilitate clear communication. They also help teams maintain their focus on getting results.

Consistent with the research on individual goals, team goals should also be challenging. Difficult goals raise team performance on those criteria for which they're set. So, for instance, goals for quantity tend to raise quantity, goals for accuracy raise accuracy, and so on.

3. Team Efficacy

Effective teams have confidence in themselves; they believe they can succeed. We call this team efficacy. Teams that have been successful in raise their beliefs about future success, which, in turn, motivates them to work harder.

4. Conflict Levels

The way conflicts are resolved can also make the difference between effective and ineffective teams. A study of ongoing comments made by 37 autonomous work groups showed that effective teams resolved conflicts by explicitly discussing the issues, whereas ineffective teams had conflicts focused more on personalities and the way things were said.

5. Social Loafing

Social Loafing Individuals can engage in social loafing and coast on the group's effort because their particular contributions can't be identified. Effective teams undermine this tendency by making members individually and jointly accountable for the team's purpose, goals, and approach. Therefore, members should be clear on what they are individually responsible for and what they are jointly responsible for on the team.

2.6 COHESIVENESS

Work groups are not unorganized mobs; they have properties that shape members' behaviour and help to explain and predict individual behaviour within the group as well as the performance of the group itself. Some of these properties are roles, norms, status, status, size, and cohesiveness.

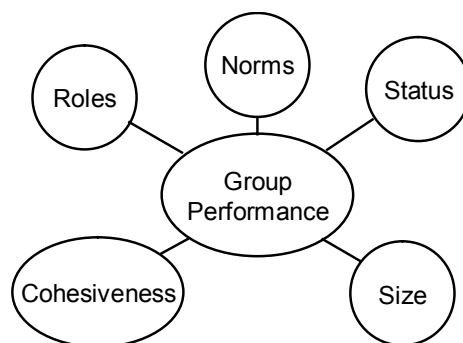


Fig.: Group Property

A) Group Property 1 : Roles

Role is the expected pattern of behavior of an individual in a particular position of society. The employees of an organization play different roles within and outside the organization and understanding their roles helps to understand their behavior. Dimensions such as identity, perception, expectations, and conflict of roles influence the behavior of individuals.

1. Role Identity

Role identity results from attitude and behavior of individuals in different roles. Individuals need to make the necessary changes in behavior to suit the requirements of an organization. Changes like promotions, demotions, or any other changes in organizations require individuals to identify with the new roles and change and re-change their behavior accordingly.

2. Role Perception

Role perception is the view of an individual about accepted behavior in a particular role. Employees in an organization perceive and interpret the roles by observing the behavior of other employees.

3. Role Expectations

How an individual is expected to behave in a particular situation is referred to as role expectation. Employees and employers in organizations have different role expectations from each other. A psychological contract existing between employer and employees is an agreement that sets out expectations on the behavior of each party in performing various roles in the organization.

4. Role Conflict

Individuals play different roles in their personal and professional lives. The roles of an individual in the organization may contradict other roles in the organization or with the roles in his/her personal life as the expectations from the roles differ.

B) Group Property 2 : Norms

Norms are set standards for behavior of individuals. Norms can be formal or informal in organizations. Formal norms are stated in the manuals of the organization while informal norms are unwritten and are not specific. Informal norms of groups in organizations can sometimes be dysfunctional. Some norms are common to most workgroups and some workgroups have a set of norms specially set for them.

1. Norms pertaining to performance-related processes

Norms give an indication of the expected performance levels of employees. Informal norms of groups influence the performance of employees along with their personal motivation levels.

2. Appearance norms

Appearance norms include norms to dress up, to appear loyal to the organization along with the group, to be busy, and other formalized and informal norms.

3. Norms pertaining to informal social arrangements

These norms control the social interactions of people within organizations. They determine the friends that people make within the organization. Lunch groups in organizations are determined by such norms.

4. Norms that regulate the allocation of resources

These norms direct the allocation of new tools and equipment, assignment of projects, and overtime in organizations.

Norms for groups develop over time and can be after-effects of statements by influential members, important actions of a group and its responses, etc. Individuals need to stick to the norms of the group to be acceptable to members. Sometimes, groups can even pressure members to change their behavior.

C) Group Property 3 : Status

Status is the rank or social position given to an individual or group by others. It influences the behavior of individuals and motivates them. Organizational titles are used to establish status formally. People with high status in organizations have the liberty to deal with the norms of the organization as per their convenience. If there is a difference between ranking by the organization and the perceived ranking of the employee, disequilibrium in status is created. This leads to corrections in behaviour. However, members of groups in general, have the approval of others on the rankings given to them.

D) Group Property 4 : Size

The size of a group influences the behaviour of the group at large. According to research results, tasks are completed faster by small groups than by large ones but large groups work better to gather diverse opinions of members. Another research finding is about 'social loafing' according to which an individual puts in less effort when working with others collectively in a group as time gets wasted in socializing.

Social loafing may also result when the employee observes that other members of group are lazy and so puts in reduced effort too. If measures for individual performance do not exist, members may not work to increase productivity as the efforts would be counted for the group as a whole.

E) Group Properties 5 : Cohesiveness

Cohesiveness refers to the closeness among group members. Some groups seem to have a certain atmosphere of intimacy or common attitudes, behaviour and performance that is lacking in other groups. Group cohesiveness is generally regarded as characteristic of the group in which the factors acting on the group members to remain and participate in the group are greater than those acting on members to leave it. The characteristics are as follows :

- (i) Cohesiveness is an important indicator of the degree of influence of the group as a whole. The greater the cohesive-ness, the greater the group's influence on members.
- (ii) Highly cohesive groups are usually characterized by good feeling among members and an absence of tension, hostility and major conflicts.
- (iii) Highly cohesive groups are potentially better performers than non-cohesive groups.

How Can Managers Encourage Cohesiveness?

1. Make the group smaller
2. Encourage agreement with group goals
3. Increase the time spent together
4. Increase the status and perceived difficulty of group membership
5. Stimulate competition with other groups
6. Give rewards to the group rather than to individual members
7. Physically isolate the group

2.6.1 Factors which Contribute to Group Cohesiveness

1. Degree of Dependency on the Group

The more dependent a person is on group the greater will be groups attractiveness and greater will be its consequences.

2. Size

Group cohesiveness increases through interaction among group members. Interaction is high if group is small and interaction is less when the group is large.

3. Homogeneity and Stable Membership

Stable relationships among members enhance group cohesiveness. This is because the relationships have to persist over a period of time to permit people to know one another, to develop common understanding of shared goals and values.

4. Location of the Group

If the group members are located close to each other, they interact themselves frequently and freely. If a group is isolated from other groups, then the cohesion is usually high.

5. Groups Status

A successful group with high status is more alternative. Therefore, they show solidarity among themselves and group cohesion tends to be high.

6. Group Leadership

If the leader is dynamic and anergic, he motivates the group members to work with zeal for attainment of common goals. He tries to build and maintain high group loyalty among members. Thus, the qualities of the group leader determine the extent to which the group members bind themselves with the group.

7. Outside Pressure

When there is pressure from outside, group members tend to minimize their personal differences in order to fight to common enemy. As such members of a group tend to be together to face challenges from outside pressure.

8. Competition

There is intragroup and intergroup competition. Intragroup competition is among the group members. Intragroup competition is among different groups. Competition between members of the group is usually destructive to group cohesiveness. Intergroup competition brings cohesiveness in the group.

2.6.2 Turning Groups into Effective Teams

Individuals in organizations might resist teams because they do not want to share their success with other team members. Therefore, to ensure that all members of the team work effectively for the achievement of common goals, it is necessary that management eliminates resistance in the members of a team. Resistance in team members may be the result of the following :

- The country's culture is individualistic in nature, and
- The organization has traditionally encouraged individual achievements.

The management of organizations must strive to shape individuals into good team players so that they are encouraged to perform effectively. The following are some of the guidelines that would be helpful in turning workers into effective team players :

1. Selection

Work teams require that team members interact very frequently with each other. It is also necessary that they co-ordinate with each other for the achievement of common goals. Hence, the interpersonal skills of a person are of great prominence while selecting a candidate for teams.

2. Training

Individuals can be trained to become effective team players. They may be provided training in areas such as problem solving, communication, negotiation, conflict management, and coaching skills.

3. Rewards

Rewards also can influence the effectiveness of performance of members. The rewards given should be such that they recognize team efforts rather than individual efforts. However, the management must also give the required recognition to the individual contributions of team members.

2.7 NORMS

Group members follow standards of behavior that they all agree on. Once these standards have been accepted by everyone in the group, they become norms. Norms determine how the members should or should not behave in certain circumstances.

The norms in an organization may be formalized or informalized norms. Formalized norms are described in organization manuals. These norms establish the rules and procedures that the employees should follow. Although organizations have written norms, most of the norms in organizations are informal, unwritten and unspecific.

The experiences of individuals regarding the type of behavior that helps or hinders their job performance and satisfaction give rise to these informal norms. Thus, depending on their effectiveness, informal norms can be functional or dysfunctional in nature. While norms of a functional nature help achieve organizational goals, norms of a dysfunctional nature do just the reverse.

Though every work group has a unique set of norms, there are certain classes of norms that are common to most work groups

Norms Pertaining to Performance Related Processes

Every member of a group is provided with explicit cues as to how hard they should work, level of output they should deliver, how they should get the job done, and how they should communicate. Although initially an individual's level of motivation and abilities influence his performance, informal norms of an organization may have a greater influence on his level of performance.

Appearance Norms

How to dress appropriately to work, how to appear loyal to the organization and to one's own group, how to appear busy - these are all appearance norms. In many organizations, for appearance's sake, employees have to show loyalty to the organization and desist from openly looking for another

Norms pertaining to informal social arrangements

Such norms regulate social interactions within the group. They determine the friends that people make within the group and the people they have lunch with. Lunch groups in organizations are determined by such norms.

Norms that regulate the allocation of resources

These norms regulate the assignment of overtime work, the assignment of projects, and the allocation of new tools and equipment.

Norms develop gradually within a group as group members learn what behavior is important for the effective functioning of the group. Most norms develop in response to :

- a) Explicit statements made by an influential member of the group
- b) Critical events in the group's history
- c) The initial pattern of behavior that emerges during the first meeting of the group.
- d) Carry over behavior from past situations.

Conformity to group norms is important for an individual to be accepted by the group. If a member defies group norms after having become the member of the group, the group can exert pressure on the member to change his attitude and behavior and bring it in line with the group's standards. Since individuals belong to various groups and since norms vary from group to group, it is not necessary that group members succumb to all such pressures. They may agree to conform only to the norms of the groups to which they desire to belong.

2.8 DECISION MAKING

Introduction to Group Decision Making

Group decision making is an activity that has an underlying belief in the old age "two heads are better than one". Most decisions in organizations are made in a group context.

Decision making is the process whereby a final choice is made among the different alternative courses of action that are available for solving complex problems. Group members with heterogeneous characteristics come together, understand the problems in a better way and hence develop creative alternatives leading to effective group decision making. When the issues to be decided are complex, and require varied skills, knowledge base, expertise and experience for generating the required solutions, group decision-making is very useful.

2.8.1 Methods of Group Decision-Making

The different methods of group decision-making are :

- **The Majority Wins Scheme** : The group chooses the alternative solution which is initially supported by the majority of the members.
- **The Truth Wins Scheme** : Group member gather complete information, discuss the problem in detail and recognise that approach which is objectively correct.

- **The Two-thirds Majority Scheme :** In this method, the decision which is supported by two-thirds of the group members is made.
- **The First-Shift Rule :** In this method, the opinion first expressed by any member of the group is taken as the decision.
- **Status-quo Rule :** In this method, the group members tend to maintain the existing decisions.

2.8.2 Advantages of Group Decision-Making

Individual decisions and group decisions each have their own set of strengths. Neither is ideal for all situations. Major advantages of group decision-making include the following :

- (i) **More complete information and knowledge :** by aggregating the resources of several individuals, a greater sum of knowledge and information is brought to the decision.
- (ii) **Increased diversity of views :** The heterogeneity opens up opportunity for more approaches and alternatives to be considered.
- (iii) **Increased acceptance of a solution :** Participating in decision-making increases an individual's acceptance of final choice.
- (iv) **Increased understanding of reasons :** Individuals can increase their understanding of the reasons underlying a decision when managers who can explain the reasons that are involved in group decision-making.
- (v) **Increased legitimacy :** The group decision-making process is consistent with democratic ideals since individuals consult with each other before making a decision. Therefore, it may be perceived as being more legitimate than decisions made by a single person in an autocratic or arbitrary manner.

2.8.3 Disadvantages of Group Decision-making

The major drawbacks of group decision-making include the following :

- (i) **Pressures to conform :** Members of the decision-making group may feel pressure to accept the decision supported by the majority.
- (ii) **Domination by the few :** Group discussion can be dominated by one or a few members. If this dominant coalition is composed of low and medium - ability members, the groups overall effectiveness will suffer.

- (iii) **Time-consuming** : Groups tend to use more time in arriving at a decision than an individual would use. This can limit management's ability to act quickly and decisively when necessary.
- (iv) **Ambiguous responsibility** : Group members share responsibility, but who is actually accountable for the final outcome ? In an individual decision, it is clear who is responsible. In a group decision, the responsibility of any single member is watered down.
- (v) **Delaying progress** : The group may not be able to reach a decision, thus delaying progress and leading to ill-will among its members.
- (vi) **Tentative solutions** : When members of a group reach agreement on a tentative solution, They frequently refuse to look for a better approach.

2.8.4 Issues in Group Decision Making

When participation is encouraged in an organization, employees collectively work in groups to make contribution to the decision-making process. Group polarization, group think, and group problem-solving are issues related to group decision making.

1. Group polarization

When individuals think in a group, they take riskier decisions than when they make their own decisions. This is because of the influence of others who have a similar opinion about a particular situation. Individuals tend to alter their opinion if they are convinced by the viewpoint of others. This is referred to as group polarization.

2. Groupthink

When members of a group make decisions, they tend to opt for sub-optimal decisions without evaluating the alternatives so as to go with the decision of the majority in the group. Decisions resulting from groupthink tend to be incorrect or suboptimal as the members try for unanimity in decisions.

3. Group problem solving

In order to overcome the problems of group polarization and groupthink, managers use problem solving techniques such as brainstorming, nominal group technique, and the Delphi technique in the decision-making process.

- (i) **Brainstorming:** The brainstorming technique is used to generate all possible ideas for decision making. Members of a group offer suggestions randomly to solve a problem or make a decision. These ideas are not evaluated as soon as they are given by the members. This encourages generation of different kinds of ideas. Brainstorming aims to generate innovative and comprehensive ideas which help to bring up more alternatives in the decision making process.
- (ii) **The nominal group technique:** This technique is used in the problem identification phase and other phases of the decision-making process, unlike the brainstorming technique, which is used only in the idea generation phase. In this technique, the participants do not have face-to-face interaction but their participation influences the decision.
- (iii) **The Delphi technique:** The Delphi technique of group decision making is similar to the nominal group technique but the decision makers need not meet at the same place when this technique is used. As a first step, a small group of expert decision makers is formed. Each member of the group is given a questionnaire to be filled in with suggestions on the decision to be made. A feedback summarizing the results of the survey is sent to all the experts seeking their response to the results.

The process is repeated several times until a consensus among the experts is obtained. This technique avoids the personal bias of decision makers and generates innovative ideas without the group influence as direct interaction is not facilitated. However, the Delphi technique is time consuming and not suitable for short-term problems.

UNIT III

Motivation, Morale And Culture : Motivation: Theories of Motivation – Motivational Processes - Content Theories (Maslow, Herzberg, McClelland) – Process Theories (Adam, Victor, Vroom and Lawler and Porter) – Learning and Reinforcement Theory.

Morale: Factors influencing Morale.

Organisational Culture: Concepts – Forming a Culture – Sustaining a Culture – Changing a Culture.

3.1 MOTIVATION

Meaning of Motivation

‘Motivation’ is derived from the word ‘motive’. Motive refers to the needs, wants, drives, impulses within individuals.

Motivation may be defined as the process of stimulating people to action, to accomplish desired goals. It involves arousing needs and desires in people to initiate and direct their behavior in a purposive manner.

Definitions of Motivation

“It is the core of management which shows that every human being gives him a sense of worth in face-to-face groups which are most important to him. A supervisor should strive to treat individuals with dignity and recognition of their personal worth.”

– **Likert**

“Motivation is the willingness to exert high levels of effort toward organizational goals, conditioned by the effort and ability to satisfy some individual need.”

– **S. P. Robbins**

“Motivation refers to the way in which urges, drives, desires, aspirations, strivings or needs direct, control or explain the behavior of human beings.”

– **Dalton E. McFarland**

3.1.1 Nature of Motivation

A manager gets results through other people. His effectiveness on a large extent depends on the willingness of his employees to do the assigned tasks with interest and enthusiasm. Motivation is the work a manager performs to inspire and encourage people to take the required action. According to Scott motivation is a process of stimulating people to action to accomplish desired results. Motivation has three distinct features:

- 1) It results from a felt need. Motivation triggers behavior impelling a person to action.
- 2) It is goal directed. Motivation is a driving state that channels behavior into a specific course that is fulfillment of a felt need.
- 3) It sustains behavior in progress. It persists until the satisfaction or reduction of a need state occurs.

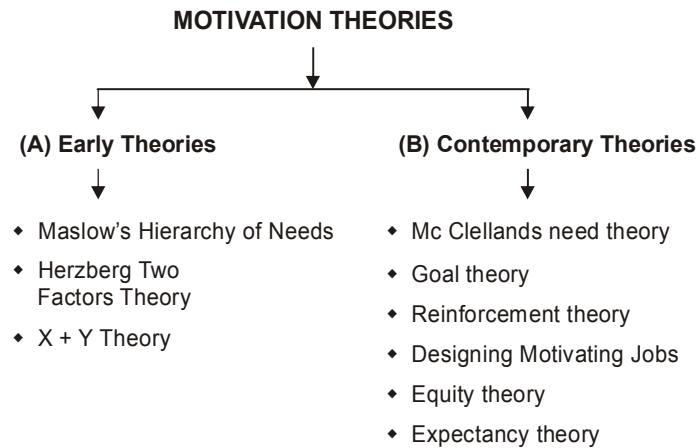
Further, motivation is a personal and internal feeling. The feeling arises from needs and wants. Human needs are unlimited. Fulfillment of one set of needs gives rise to other needs. Therefore motivation is a continuous process. Since needs are interrelated a person cannot be partly motivated as he is a self contained and inseparable unit.

The success of an organization ultimately depends on how effectively managers are able to motivate their subordinates. In the other words of Allen, poorly motivated people can nullify the soundest organization. It is not easy to understand the complexities involved in motivating people. If an employee has an argument with his boss and fails to report to work the next day it may appear that his behavior is a result of the confrontation. However his behavior may actually be motivated by a combination of factors including overwork, family illness or some other problems. As things stand now the whys of behavior cannot be explained easily. Let us examine some of the factors that complicate this process.

3.1.2 Theories of Motivation

There is no shortage of models, strategies and tactics for motivating employees as a result, firms constantly experiment with new motivational programmes and practices.

Types of Motivation Theories



3.1.3 Motivational Processes

Motivation can also be defined as a condition that is initiated by a physiological or psychological deficiency or need in an individual, which causes the individual to behave in a certain manner in order to achieve a particular goal or incentive.

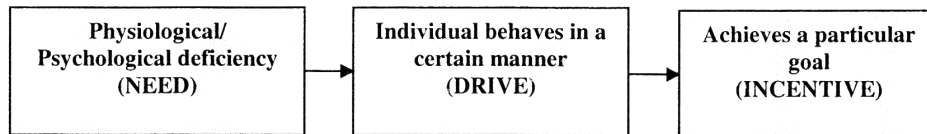


Figure : The Motivation Process

Motivation consists of three interacting and interdependent elements - needs, drives and incentives. Needs form the basis for drives, which in turn seek the attainment of certain incentives. To understand the process of motivation, we should first understand the meaning of needs, drives and incentives, and the relationship between them.

➤ Needs

A physiological or psychological imbalance leads to the creation of a need. For example, the need for food or water arises when a person is hungry or thirsty. Similarly, people who are deprived of the company of other people may look for friends or companions.

However, psychological needs may sometimes arise without any deficiency or imbalance. For instance, a person who has a strong need to progress may move from success to success. Even if a person has several extraordinary

achievements to his credit, he may still feel the need to achieve more. For example, many millionaires strive to make more and more money, even though they are considered rich by regular standards.

➤ **Drives**

Drives or motives (the two terms are used interchangeably) propel individuals to attain their goals or satisfy their needs. A physiological drive is a condition which causes a person to work in a particular direction. Both physiological and psychological drives push an individual towards achieving a certain goal or accomplishing a certain task. Drives constitute the core element in motivation. For example, the need for food and water is transformed into the drives of hunger and thirst, and the need to achieve manifests itself as the achievement drive.

➤ **Incentives**

Anything that can mitigate a need and decrease the intensity of a drive is called an incentive. When a person obtains the incentive, the strength of that drive is reduced and physiological or psychological balance is restored. For example, eating food, drinking water, or finding friends reduces the corresponding drives and helps in achieving balance. Here food, water and friends are the incentives.

3.2 CONTENT THEORIES

The content theories of motivation attempt to identify and prioritize the needs and drives that motivate people at work. They deal with the goals and incentives that people strive for in their work environment. Although these theories have some limitations and do not always explain motivation and behavior at work successfully, they have proved useful in providing insights into motivating people.

The earliest content theory of scientific management was pioneered by Frederick W. Taylor, Frank Gilbreth and Henry L. Gantt. The scientific management theory of motivation considered money to be the only incentive. Subsequent theories began to consider factors such as working conditions and work security to be incentives. Still later, the possibility of satisfying “higher level” needs or motives also came to be considered as incentives.

Examples of such needs are: the needs for esteem and self-actualization, identified by Maslow; responsibility, recognition, achievement and advancement as proposed by Herzberg; and growth and personal development as identified by Alderfer.

3.2.1 Maslow

There are two types of needs—Basic and Secondary or acquired. Basic needs are important for survival whereas acquired needs are not so important. We know various needs are felt by a man but do not know about their preferential order. A. H. Maslow solved this problem and presented a theory on priority order of needs. Some important propositions of Maslow's need priority model are as under:

- 1) Man is wanting animal.
- 2) A satisfied need is no longer a motivator, and
- 3) Needs have hierarchy of importance.

Need Hierarchy :

Maslow has presented the hierarchy of needs in the following order.

1. Basic Physiological Needs

The needs that are taken as the starting point for motivation theory are the so-called physiological needs. These needs relate to the survival and maintenance of human life. These needs include such things as food, clothing shelter, air water and other necessities of life.

2. Safety and Security Needs

After satisfying the physiological needs, people want the assurance of maintaining a given economic level. They want job security, security of source of income, provision for old age, insurance against risks, etc.

3. Social Needs

Man is social being. He is therefore, interested in conversation, sociability, exchange of feelings and grievances, companionship, recognition, belongingness, etc. Non-satisfaction of this level of needs may affect the mental health of the individual.

4. Esteem Needs or Ego Needs

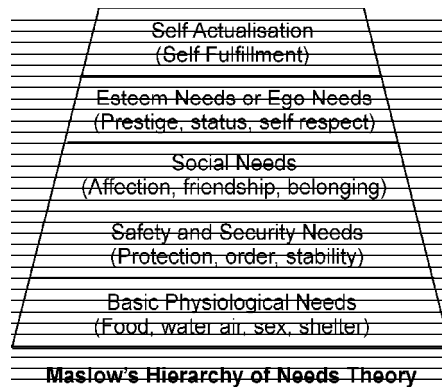
Egoistic needs can take inward and outward orientations. Inward directed ego needs embrace such things as self-confidence. Independence, achievement, competence, knowledge and success. They have to be earned by the individual himself through his intelligence and hardwork.

They lead to 'earned recognition' by the society. Outwardly directed ego needs are concerned with prestige, status and other marks of respect because of some position in the organization or control over economic, social and political power.

5. Self-Actualization Needs

The final step under the need priority mode is the need for self-fulfillment or the need to fulfill what a person considers to be his mission in life. It involves realizing one's potentialities for continued self-development and for being creative in the broadest sense of the work. After his other needs are fulfilled, a man has the desire for personal achievement.

He wants to do personal achievement. He wants to do something which is challenging and since this challenge gives him enough dash and initiative to work, it is beneficial to him in particular and to the society in general. The sense of achievement gives him psychological satisfaction.



Maslow suggested the following points:

- i) There are five levels of needs.
- ii) All these needs are arranged in a hierarchy.
- iii) A satisfied need is no longer a need. Once a need or a certain order of need is satisfied it ceases to be a motivating factor.
- iv) Once one level of need is satisfied, the next level of need will emerge as the depressed needs seeking to be satisfied.
- v) The physiological and security needs are finite but the needs of higher order are infinite and are likely to be dominant in persons at higher levels in the organization.
- vi) Maslow suggests that various levels are interdependent and overlapping. Each higher level emerging before the lower level need has been completely

satisfied. Even though a need is satisfied it will influence behavior because of interdependent and overlapping characteristic of needs.

Maslow has further classified the needs as lower order needs and higher order needs. First two needs in the hierarchical order are lower needs and rests three are higher order needs.

Evaluation of Maslow's Need Priority Model

Maslow's theory represents a significant departures from economic theories of motivation. As a result the theory has an important impact in the following ways.

- 1) The theory presents an entire array of noneconomic worker needs. If an employee does not respond to economic incentives, managers have alternative sources of employee motivation to consider.
- 2) Maslow's hierarchy provides an important explanation for the changing motivations of workers overtime.
- 3) It is said that the theory offers some useful ideas for helping managers think about motivating their employees.
- 4) It accounts for both interpersonal and intrapersonal variations in human behavior.
- 5) The need hierarchy model is dynamic in that it presents motivation as a constantly changing force, expressing itself through the constant striving for fulfillment of new and higher levels of needs.
- 6) Maslow's approach to human behavior marks a total departure from earlier approaches. Called humanistic psychology, Maslow's approach is based on existential philosophy.

3.2.2 Herzberg

Herzberg has developed a motivation theory known as motivation hygiene theory or two-factor theory of motivation. For this purpose, he conducted a study and interviewed some 200 engineers and accountants and asked them to think of a time when they felt good at their jobs and a time when they felt bad at their job and then to describe condition which led to such feelings.

Researchers concluded that factors responsible for job satisfaction are different from factors that led to dissatisfaction. Job satisfaction and job dissatisfaction are not possible to each others. Absence of job satisfaction does not mean in job dissatisfaction but it no job satisfaction. The factors so identified where classified by him into two categories:

1. Motivational Factors

These factors are related to the nature of work (job content) and the intrinsic to the job itself. These factors have a positive influence on morale, satisfaction, efficiency and higher productivity. Some of these factors are Achievement, Recognition, Work itself, Responsibility, Advancement, and Possibility of Growth.

2. Hygiene Factors/Maintenance Factors

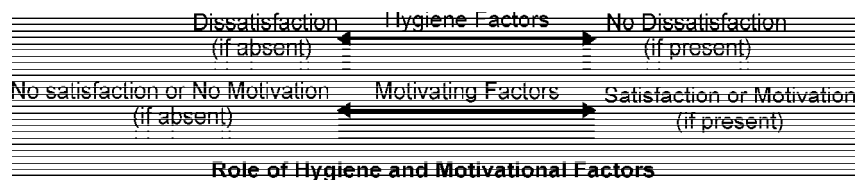
Hygiene factors do not motivate people. They produce no growth but prevent loss. The absence of these factors leads to job dissatisfaction. The elimination of dissatisfaction does not mean satisfaction and these factors simply maintain a “zero level of motivation”.

For example, if a person indicated “low pay as a cause of dissatisfaction, it would not necessarily identify” “high pay” as a cause of satisfaction. Some of these factors are Company Policies and administration, Relationship with supervisor, Work conditions, Salary, Relationship with peers, Personal life, Relationship with subordinates, Status, job Security.

3.2.3 Herzberg’s Classification of Maintenance and Motivational Factors

Maintenance Factors (or) Dissatisfiers Motivational Factors (or) Hygiene Factors (or) Satisfiers :

- | | |
|--------------------------------------|---------------------------------|
| 1) Job context | 1) Job content |
| 2) Extrinsic factor | 2) Intrinsic factors |
| 3) Company policy and administration | 3) Achievement |
| 4) Quality of supervision | 4) Recognition |
| 5) Relations with supervisors | 5) Work Itself |
| 6) Work conditions | 6) Responsibility |
| 7) Salary | 7) Advancement |
| 8) Peer relations | 8) Possibility of growth |
| 9) Personal life | 10) Relations with subordinates |
| 11) Status | 12) Job security |



Herzberg noted that the two sets of factors are one-dimensional as their effect can be seen in one direction only. If hygiene factors are present, they act as maintenance factors and if they are absent, they act as dissatisfiers. Removing dissatisfying characteristics from a job does not necessarily make the job satisfying.

But if motivators are present, they provide satisfaction or motivation to the individual. And if motivators are absent, the individual will get no satisfaction. Thus, satisfaction and dissatisfaction are independent rather than opposite ends of the same continuum as was traditionally believed.

Criticism of Herzberg Theory

- 1) Job satisfiers and dissatisfiers where recognize at two different qualitative factors where as these two are opposite factors.
- 2) The procedure used by Herzberg is limited by its methodology.
- 3) The model does not give sufficient emphasis to the motivating qualities of pay, status, etc. which are important motivators.
- 4) The difference between motivational and maintenance factors are not clear. They can be used interchangeably in different situation.
- 5) The theory is based on small sample.

3.2.4 McClelland

In his acquired-needs theory, David McClelland proposed that an individual's specific needs are acquired over time and are shaped by one's life experiences. Most of these needs can be classed as either achievement, affiliation, or power. A person's motivation and effectiveness in certain job functions are influenced by these three needs. McClelland's theory sometimes is referred to as the three need theory or as the learned needs theory.

1. Achievement

People with a high need for achievement (nAch) seek to excel and thus tend to avoid both low-risk and high-risk situations. Achievers avoid low-risk situations because the easily attained success is not a genuine achievement. In high-risk projects, achievers see the outcome as one of chance rather than one's own effort. High nAch individuals prefer work that has a moderate probability of success, ideally a 50% chance. Achievers need regular feedback in order to monitor the progress of their achievements. They prefer either to work alone or with other high achievers.

2. Affiliation

Those with a high need for affiliation (nAFF) need harmonious relationships with other people and need to feel accepted by other people. They tend to conform to the norms of their work group. High nAff individuals prefer work that provides significant personal interaction. They perform well in customer service and client interaction situations.

3. Power

A person's need for power (nPow) can be one of two types - personal and institutional. Those who need personal power want to direct others, and this need often is perceived as undesirable. Persons who need institutional power (also known as social power) want to organize the efforts of others to further the goals of the organization. Managers with a high need for institutional power tend to be more effective than those with a high need for personal power.

4. Thematic Appreciation Test

McClelland used the Thematic Appreciation Test (TAT) as a tool to measure the individual needs of different people. The TAT is a test of imagination that presents the subject with a series of ambiguous pictures, and the subject is asked to develop a spontaneous story for each picture. The assumption is that the subject will project his or her own needs into the story.

Psychologists have developed fairly reliable scoring techniques for the Thematic Appreciation Test. The test determines the individual's score for each of the needs of achievement, affiliation, and power. This score can be used to suggest the types of jobs for which the person might be well suited.

3.2.5 Implications for Management

People with different needs are motivated differently.

- **High need for achievement** - High achievers should be given challenging projects with reachable goals. They should be provided frequent feedback. While money is not an important motivator, it is an effective form of feedback.
- **High need for affiliation** - Employees with a high affiliation need perform best in a cooperative environment.
- **High need for power** - Management should provide power seekers the opportunity to manage others.

Note that McClelland's theory allows for the shaping of a person's needs; training programs can be used to modify one's need profile.

3.3 PROCESS THEORIES

3.3.1 Adam

Equity theory of work motivation is based on social exchange process. Adams has crystalised it in a more formal way. This theory suggests that people are motivated to maintain fair relationship between their performance and reward in comparison to others.

The assumptions of this theory are.

Individuals make contributions (inputs) for which they expect certain rewards (outcomes) individuals decide whether or not, a particular exchange is satisfactory, by comparing their inputs and outcomes with those of others and try to rectify the inequality.

Exchange relationship between a person's input / outcomes in relation to those of other persons may be of three types. Over paid inequity, under paid inequity and equity.

Various Types of Inputs and Outputs

Inputs	Outputs
Efforts	Pay
Time	Promotion
Education	Recognition
Experience	Security
Training	Personal development
Ideas	Benefits
Ability	Friendship opportunity

1. **Overpaid Inequity.** When the person perceives that his outcomes are more as compared to his inputs in relations to others. Thus, the relationship is given below.

$$\frac{\text{Pearson's outcomes}}{\text{Pearson's inputs}} > \frac{\text{Other's outcomes}}{\text{Other's inputs}}$$

In this case, the person experiences guilt feeling.

2. **Underpaid Inequity.** The person perceives that his outcomes are lower as compared to his inputs in relationship to others.

$$\frac{\text{Pearson's outcomes}}{\text{Pearson's inputs}} < \frac{\text{Other's outcomes}}{\text{Other's inputs}}$$

Here, the person experiences dissonance.

- 3. Equity.** The person perceives that his outcomes in relation to his inputs are equal to those of others.

$$\frac{\text{Pearson's outcomes}}{\text{Pearson's inputs}} = \frac{\text{Other's outcomes}}{\text{Other's inputs}}$$

In this case, the person experiences satisfaction.

The impact of inequality on the person is as follows :

1. Perceived inequity creates tension in the person.
2. The amount of tension is proportional to the magnitude of inequity.
3. The tension created in the person will motivate him to reduce it.
4. Thus motivation is to reduce inequity in proportional to the perceived inequity.

The Ways / Methods to Re-establishing Equity

1. **Changing his Inputs.** Inputs can be changed to lower or higher extent to match the outcomes (in case of under paid inequity or over paid inequity).
2. **Changing Perceptions about Inputs and Outcomes.** A person may re-establish equity between his inputs and outcomes by changing his perception.
3. **Changing his Outcomes.** The person may attempt to change his outcomes by persuading/pressuring those who are responsible for the decision of outcomes.
4. **Changing Inputs and Outcomes of Others.** The person may try to re-establish equity by persuading other persons to change their inputs or by changing this perceiving about the inputs/outcomes relationship of others.
5. **Changing the Persons Compared.** If relationship produces inequity, while comparing with the particular people, then the persons may be replaced by someone else whose relationship produces equity.
6. **Changing the Situations.** The person can try to change the situation in which he perceives inequity, he may opt for transfer to another department or location in the same organization or may leave the organization itself.

Implications

1. The theory makes managers realise that equity motive tends to be one of the most important motives of the people in the organization.

2. This theory is based on the principle of “equal work”.
3. Feeling or perceptions in work setting are important factor in work setting.

Difficulties in applying this theory are,

1. It is difficult to assess the perception/misperception of people about inputs/ outcomes relationships.
2. Equity is a matter of comparison. The process by which the person decides whom to compare himself with is not clearly understood.
3. Equity theory does not specify the actions which a person will take to re-establish equity if he perceives inequity.

3.3.2 Victor

Motivation is compulsory and important as it is one of the factors which helps in influencing the performance of the individuals. For effective utilization of organizational facilities it is very essential for the organization to motivate its employees. In an organization, all the superiors/leaders should motivate their subordinates so that they can make use of right type of behaviours.

The following points help us to know the importance of motivation in an organization.

1. Increases Performance Level of Employees

When the employees are motivated, they will increase their performance level. The performance of a motivated employee is higher than other employees. According to a study conducted by William James, it was revealed that motivated employees make use of 80 to 90 percent of their abilities.

For an organization to become successful, it should have high performing employees which can be obtained only through motivation.

2. Reduces Employee Turnover and Absenteeism

In an organization, high turnover and absenteeism will lead to number of organizational problems. But, when the employees are motivated, they would want to remain in the organization and their absenteeism is also very low. It takes number of years to recruit, train and develop several new personnel into a working team. This also influences the organizational reputation adversely.

3. Accepts Organizational Changes

Organizations are established in a society and in today's rapidly changing environment for dealing with the changes in society, it is very essential for an organization to include changes. But, many employees in an organization resist change because of which change is not accepted in an organization. So, the employees should be motivated, as motivated employees accept, initiate and execute changes for maintaining the organization on a right track.

Goal Theory

Another theory usually considered under the heading of motivation to work is goal theory, or the theory of goal-setting. This theory is based mainly on the work of *Locke*.

The basic premise of goal theory is that people's goals or intentions play an important part in determining behaviour. *Locke* accepts the importance of perceived value, as indicated in expectancy theories of motivation, and suggests that these values give rise to the experience of emotions and desires. People strive to achieve goals in order to satisfy their emotions and desires. Goals guide people's responses and actions. Goals direct work behaviour and performance, and lead to certain consequences or feedback. *Locke* subsequently pointed out that goal-setting is more appropriately viewed as a motivational technique rather than as a formal theory of motivation.

Goal-setting and Performance

The combination of goal difficulty and the extent of the person's commitment to achieving the goal regulates the level of effort expended. People with specific quantitative goals, such as a defined level of performance, or a given deadline for completion of a task, will perform better than people with no set goal or only a vague goal such as do the best you can. People who have difficult goals will perform better than people with easier goals.

Gratton refers to 'Stretch goals' which are ambitious, highly targeted opportunities for breakthrough improvements in performance. These goals should stem from critical success indicators and come from deep discussions within the company, and from collaboration within and across task forces, and lead to development of activities and tactics to achieve the goals. People lacking positive motivation at work may also help gain improved results and a better sense of achievement by setting themselves specific goals, and identifying tasks directly related to their work and measurable targets of time and performance.

Goal theory has a number of practical implications for the manager.

- ♦ Specific performance goals should systematically be identified and set in order to direct behaviour and maintain motivation.

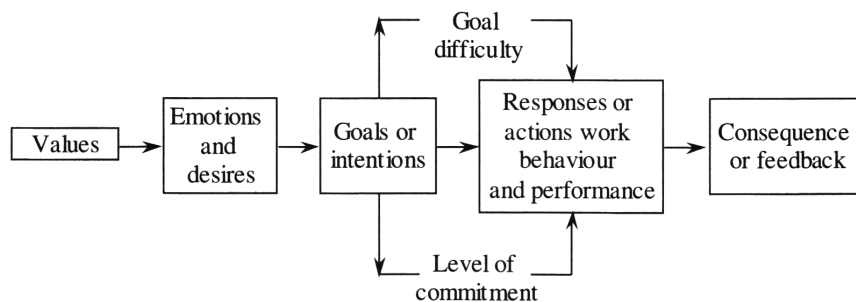


Figure: An Illustration of Locke's Theory of Goal-setting

- ♦ Goals should be set at a challenging but realistic level. Difficult goals lead to higher performance. However, if goals are set at too high a level, or regarded as impossible to achieve, performance will suffer, especially over a longer period.
- ♦ Complete, accurate and timely feedback and knowledge of results is usually associated with high performance. Feedback provides a means of checking progress on goal attainment and forms the basis for any revision of goals.
- ♦ Goals can be determined either by a superior or by individuals themselves. Goals set by other people are more likely to be accepted when there is participation. Employee participation in the setting of goals may lead to higher performance.

Much of the theory of goal-setting can be related to the system of management by objectives. MBO is often viewed as an application of goal-setting, although MBO was devised originally before the development of goal-setting theory.

A number of research studies have attempted to examine the relationship between goal-setting and performance. Although, almost inevitably, there are some contrary findings, the majority of evidence suggests strong support for the theory, and its effects on motivation. However it is viewed, the theory of goal-setting provides a useful approach to work motivation and performance. And Hannagan goes so far as to suggest that at present goal-setting is one of the most influential theories of work motivation applicable to all cultures.

3.3.3 Vroom Expectancy Theory

Victor Vrooms expectancy theory is based on motivation process. Various theories which are based on motivation process are more concerned with the cognitive antecedents that go into motivation or effort and the way they relate to each other.

Vroom's model is built around the concepts of value, expectancy and force. Its assumption is that "the choice made by a person among alternative courses of action is lawfully related to pay psychological events occurring contemporaneously with the behaviour.

According to Vroom people will be motivated to do things to achieve some goals to the extent that they accept that certain actions on their part will help them to achieve the goal.

$$\text{Motivation force} = \text{S Valence} \times \text{Expectancy}$$

Vroom's model is built around the concepts of Valence. Instrumentality and Expectancy and is commonly known as V.I.E theory .

Valence: Valence means the strength of an individual's preference to a particular outcome. It may be incentive, altitude, and expected utility

- ♦ For the valence to be positive, the individual must prefer attending the outcome to not attending it.
- ♦ For the valence to be zero, the individuals are indifferent toward: the outcome.

For the valence to be negative, the individual prefers not attaining the outcome to attaining it.

Instrumentality :

It refers to the degree to which a first -level outcome will lead to a desired second level outcome. Therefore, the strength of the motivation in perform a certain act will depend on the algebraic sum of the products all the valences for the outcomes (which include instrumentality) times of expectancy.

Expectancy :

It is the probability that a particular action will lead to the outcome Expectancy is the probability that a particular action will lead to a particular first level outcome. The strength of motivation to perform a certain act will depend on the sum of the products of the values for the outcomes times the expectancies.

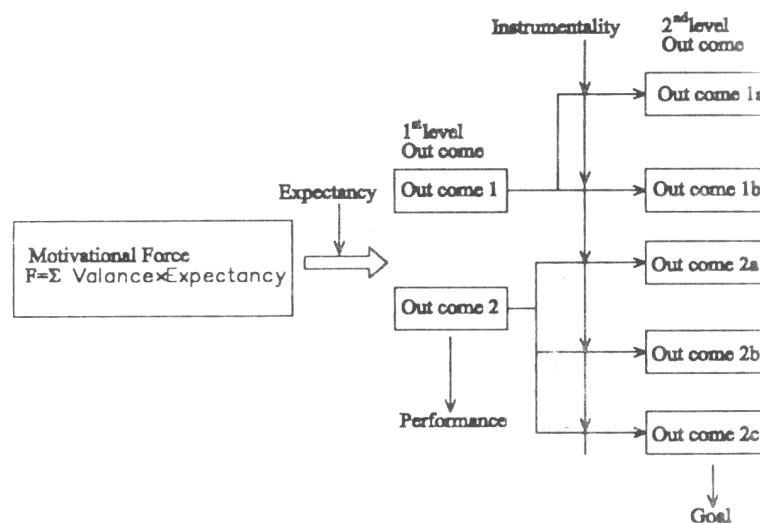
For example :

If an individual desires promotion and feels that superior performance is a very strong factor in achieving that goal. Then his 1st level outcome will be superior, average or poor performance. His 2nd level outcome will be promotion.

Implication of the theory :

1. Vroom clarifies the relationship between individuals and organisational goals.
2. Instead of assuming that satisfaction of a specific need is likely to influence organisational objectives in a certain way, we can find out how important to the employee are the Various second-level outcomes (goals), the instrumentality of various 1st-level outcomes (organisational objectives) for their attainment and the expectancies that are held with respect to the employees ability to influence the 1st - level outcomes.

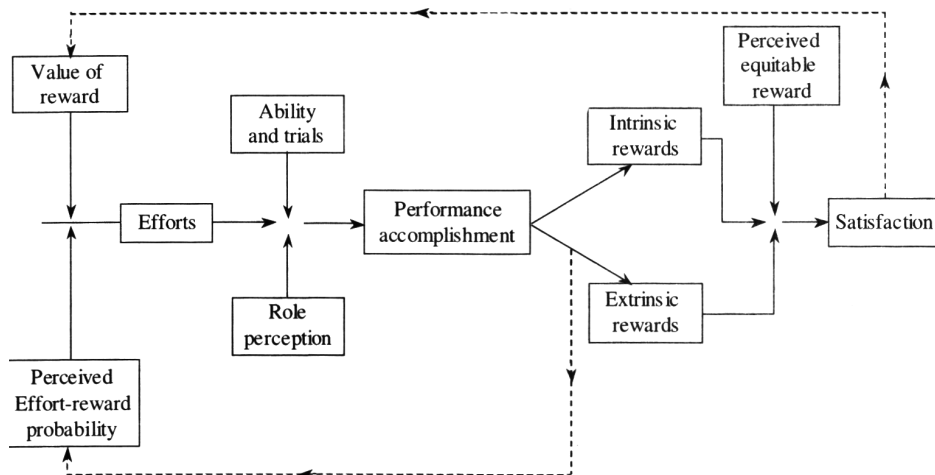
Thus Vroom's theory proposes that a managers job is to design an environment for performance, necessarily taking into accounts the differences in various situations.

**Figure****Disadvantages :**

1. It is difficult to research and apply in practice.
2. Very few research studies were designed.
3. Vroom himself depended largely upon researches.
4. This model does not give the manager practical help in solving his motivational problem.

3.3.4 Porter-Lawler Model

Porter and Lawler proposed a multivariate model to explain the complex relationship that exists between job attitudes and job performance. This model encounters some of the simplistic traditional assumptions made about the positive relationship between satisfaction and performance. “The emphasis in expectancy theory on rationality and expectations seems to us to describe best the kinds of cognition that influence managerial performance. Managers operate on the basis of some sort of expectancies which, although based upon previous experience, are forward- oriented in a way that does not seem to be as easily handled by the concept of habit strength”.



figure

1. Effort

Effort refers to the amount of energy exerted by an employee on a given task. Perceived reward probability refers to the individuals perception of the probability that differential rewards depend upon differential amounts of efforts. These two factors-values of reward and perception of effort-reward and perception of effort-reward probability- determine the amount of effort that the employee will put in.

2. Performance

Performance is determined by the amount of effort and the ability and role perception of the individual. If an individual has little ability and or in accurate role perception, his performance may be ineffective inspite of this putting in great efforts.

3. Rewards

Performance is seen as leading to intrinsic rewards (sense of accomplishment and actualisation) and extrinsic rewards (states and working conditions). Intrinsic rewards are much more likely to produce attitudes about satisfaction that are related to performance the perceived equitable reward virtually affect the performance - satisfaction relationship. They reflect the fair level of rewards that the individual feelings should be given for a given level of performance.

4. Satisfaction

If actual rewards meet or exceed perceived equitable rewards, the individual will feel satisfied. But if the actual rewards do not meet the perceived reward then he will be dissatisfied.

- ♦ Satisfaction is only in part determined by actual rewards.
- ♦ Satisfaction is more dependent on performance than performance is on satisfaction.

Implication

This model suggests that managers should carefully assess their reward structures and that through careful planning and clear definition of role requirement, the effort performance-reward-satisfaction system should be integrated into an entire system of managing.

3.4 LEARNING AND REINFORCEMENT THEORY

In behavioral psychology, reinforcement is a consequence that will strengthen an organism's future behavior whenever that behavior is preceded by a specific antecedent stimulus. This strengthening effect may be measured as a higher frequency of behavior (e.g., pulling a lever more frequently), longer duration (e.g., pulling a lever for longer periods of time), greater magnitude (e.g., pulling a lever with greater force), or shorter latency (e.g., pulling a lever more quickly following the antecedent stimulus).

Although in many cases a reinforcing stimulus is a rewarding stimulus which is "valued" or "liked" by the individual (e.g., money received from a slot machine, the taste of the treat, the euphoria produced by an addictive drug), this is not a requirement. Indeed, reinforcement does not even require an individual to consciously perceive an effect elicited by the stimulus. Furthermore, stimuli that are "rewarding" or "liked" are not always reinforcing: if an individual eats at a fast food restaurant (response) and

likes the taste of the food (stimulus), but believes it is bad for their health, they may not eat it again and thus it was not reinforcing in that condition. Thus, reinforcement occurs only if there is an observable strengthening in behavior.

In most cases reinforcement refers to an enhancement of behavior but this term may also refer to an enhancement of memory. One example of this effect is called post-training reinforcement where a stimulus (e.g. food) given shortly after a training session enhances the learning. This stimulus can also be an emotional one. A good example is that many people can explain in detail where they were when they found out the World Trade Center was attacked.

Reinforcement is an important part of operant or instrumental conditioning.

3.4.1 Types of Reinforcement

According to Huitt & Hummel (1997), four methods are employed in operant conditioning: positive reinforcement, negative reinforcement, positive punishment, and negative punishment. The table below is derived from the table created by Huitt & Hummel (1997):

	Positive Applies Stimulus +	Negative Removes Stimulus -
Reinforcement Increases the frequency of desirable behaviour ↑	Positive Reinforcement	Negative Reinforcement
Punishment Decreases the frequency of undesirable behaviour ↓	Positive Punishment	Negative Punishment

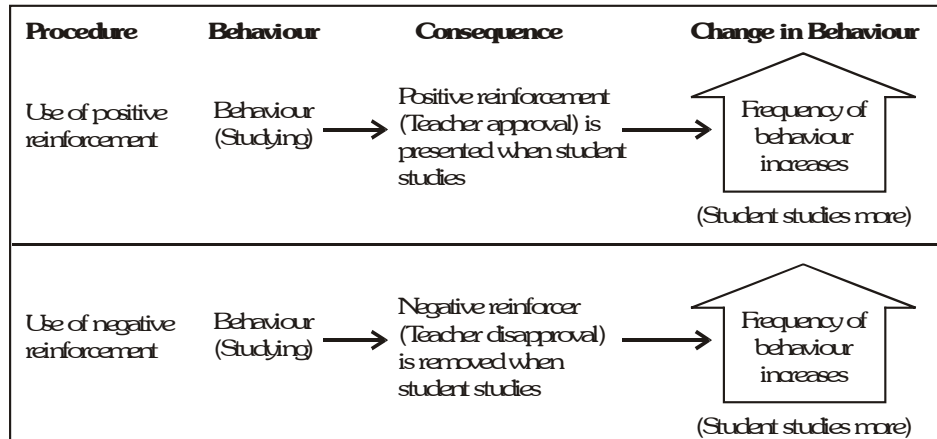
3.4.2 Positive and Negative Reinforcement

Reinforcement theory provides two methods of increasing desirable behaviors. One is positive reinforcement and the other is negative reinforcement.

To avoid any confusion we can think of positive as a plus sign (+) and negative as minus sign (-). In other words:

- 1. Positive Reinforcement:** Give (+) what individuals like when they have performed the desired behavior.

- 2. Negative Reinforcement:** Remove (-) what individuals do not like when they have performed the desired behavior.



In the case of negative reinforcement, it is important to remember that negative does not mean “bad”, just the removal of an unpleasant stimulus. Positive and negative have similar connotations in the application of punishment.

Positive Reinforcement

Positive reinforcement is “Any pleasant or desirable consequences that follows a response and increases the possibility that the response will be repeated”

Positive reinforcement uses the reward system. The reward system is a collection of brain structures which attempt to regulate and control behavior by inducing pleasurable effects. Some examples of rewards in the workplace are monetary bonuses, promotions, praise, paid holiday leave, and attention. In educational settings the rewards can include food, verbal praise, or a preferred item. Giving rewards may not result in the desired effect or behavior, but the reward must stimulate the person to produce the desired behavior to be positive reinforcement. This means that the reinforcement should be highly motivating to the individual. For example, in the workplace a paycheck or a bonus may be a highly motivating factor for many people, but not necessarily all.

Negative Reinforcement

Negative reinforcement is a “psychological reinforcement by the removal of an unpleasant stimulus when a desired response occurs” (Negative Reinforcement, n.d.).

Negative reinforcement uses the reward system. A person is rewarded for desired behavior by having something unpleasant removed. This removal is the reward. For

example, in the workplace a person may find it undesirable to be monitored closely. If a person is doing their job to the highest standard, they may not be monitored as closely anymore. This removal of the monitoring is the reward for consistently doing their job well. Another example of negative reinforcement could be a new employee at a fast food chain having to clean the public bathrooms as part of their job as a new hire. By performing this and other tasks well, eventually this unpleasant task could be removed as a way to keep this person interested and motivated to do well as they advance in job title and salary.

Avoidance Learning

Avoidance learning acts similarly to negative reinforcement, except “the desired behavior serves to prevent the onset of a noxious stimulus, or in a variant, terminates such a stimulus that already exists”. Criticism from a supervisor could serve as a noxious stimulus. While avoidance learning can serve to be effective in some cases, positive reinforcement is often preferred. Avoidance learning can be seen in the workplace when an employee exhibits the desired behavior in an effort to avoid the consequence, such as being criticized by one’s supervisor.

When looking at avoidance learning, one can easily see that the main goal is to understand what the unpleasant stimulus is and then it can be avoided. When an employee knows they will be terminated for having too many unexcused absences, they will make sure to avoid being absent without an excuse. In this scenario, when an employee brings in an excuse slip for an absence, the negative consequence is also avoided.

Reinforcement and Its Role In Undesirable Behavior: Substance and/or Alcohol Abuse

Reinforcement can also be a way to “reward” and reproduce undesirable behaviors. In looking at these two types of reinforcement in another way, “these terms refer to psychological processes that cause certain behaviors to be repeated” and is not just a system of rewards. People who abuse alcohol and/or substances do not become addicts very quickly. Addiction usually occurs over a long period of time and after extensive abuse of their bodies. How do they get to be this way? They have reinforced their behaviors.

- 1. Positive reinforcement of substance abuse:** “taking a drug or consuming alcohol brings a feeling of pleasure or euphoria, however brief”
- 2. Negative reinforcement of substance abuse:** The substance causes unwanted feelings to go away. It is a type of avoidance. “For example, some

people repeatedly self-medicate with prescription drugs, alcohol or other substances because it removes unpleasant feelings of stress or anxiety”

Treatment of this kind of abuse can involve positive and negative reinforcement.

3. **Positive reinforcement in substance abuse treatment:** “Allow the patient to encounter the stressor, or literally face their fears, and then not permit them to resort to their escape strategy – but instead find new ways to cope”
4. **Negative reinforcement in substance abuse treatment:** The removal of a negative stimulus such as chastisement from family members would constitute as negative reinforcement. “Therapists can try eliminating the stressful situation that causes the patient to need to escape. This may mean counseling family members on how to be a positive influence on their loved ones, instead of berating them and causing more stress”.

Positive and Negative reinforcement can play a role in all behavior, not just in working environment behavior. It can replicate unwanted behavior as well as be a key in treatment of those behaviors.

Negative Punishment, Extinction, and Positive Punishment

Reinforcement theory provides two methods of eliminating undesirable behaviors. One is negative punishment and the other is positive punishment.

“Punishment creates a set of conditions which are designed to eliminate behaviour”

Positive Punishment: Give (+) individuals what they do not like when they have performed the undesired behavior (Griggs, 2009). Positive punishment is what we think of when we think of a “punishment”.

Negative Punishment: Remove (-) what individuals like when they have performed the undesired behavior.

Positive Punishment

The type of punishment most people are familiar with is positive punishment. Positive punishment is easier for people to identify because it is common in society. It is usually called “punishment” or “punishment by application”. Positive punishment occurs when a stimulus is presented following an undesired behavior and subsequent occurrences of the undesired behavior are reduced or eliminated. Using the example of a chatty co-worker, the employee could be orally reprimanded for spending too much

time conversing with co-workers. It is important to realize that even though consequences such as suspension, demotions, etc. induce dislike, they do not qualify as punishments unless they lessen or eliminate the undesired behavior.

Positive punishment is effective in eliminating undesired behaviors but it does have limitations. Positive punishment has been found to be more effective when the stimulus is added immediately following the undesired behavior as opposed to applying delayed stimulus. Another factor is consistent application of a stimulus following an undesired behavior, this is more effective than occasional application of a stimulus. The greatest drawback is that positive punishment fails to teach desirable behaviors. Furthermore, positive punishment can produce undesirable emotional reactions such as passivity, fear, anxiety, or hostility.

Punishment is seen as more acceptable than positive reinforcement because “people believe they are free to choose to behave in responsible ways to avoid punishment”. Our societal values of independence, and a tendency to view the world in terms of being punished for bad or immoral behavior tend to predispose us to treat inappropriate behaviors with punishment, rather than focusing on the value of positive reinforcement for doing the right thing.

Extinction

Extinction, on the other hand, involves withholding the pleasing stimulus that is maintaining the unwanted behavior *each time* the behavior occurs. This happens until the behavior gradually decreases to zero or the desired level. Using the above example of the disruptive employee, his supervisor instructs his co-workers to ignore his non work-related comments and not respond to them. The response from his co-workers is the pleasing stimulus maintaining his behavior. Without it, the employee no longer chats about non work-related business and becomes more productive as a result. It is important to remember that extinction is *not* permanent and that the behavior may return after the extinction process is complete, a process called spontaneous recovery.

Extinction may decrease the frequency of desirable behavior as well. If good behavior is consistently ignored, it may cease, just as in the elimination of undesirable behavior. For example, an employee regularly stays late at work to assist the next shift in catching up after a very busy day. No praise or thanks is ever given to the employee by her co-workers or supervisor, so eventually she leaves work on time and stops assisting the next shift. Ignoring her good behavior caused its extinction. Note that because good behavior may also be eliminated, “managers should be sensitive to the wide array of possibilities of extinction in the workplace”

Negative Punishment

Negative punishment involves removing a pleasing stimulus *other than* the one maintaining the behavior in order to decrease the frequency of the behavior. Normally, the behavior decreases immediately. An example of negative punishment might be an office worker who disrupts his co-workers by constantly chatting about non work-related subjects. His co-workers usually respond to him and are polite, which is the pleasing stimulus maintaining his disruptive behavior. His supervisor informs him that, if he remains disruptive, he will not receive his yearly pay raise.

3.5 MORALE : FACTORS INFLUENCING MORALE

Morale is defined by various terms from different standpoints. In military situation morale means enthusiasm to accomplish the assigned task or esprit-de-corps in sports it may mean self confidence of a team, in education it may be the eagerness to learn by students, in business it is associated with the desire to achieve the goals. So it is an overall attitude of an individual or group towards all aspects of their work e.g., the company, the job, the supervisors, fellow workers, working conditions, etc.

3.5.1 Definitions

Flippo has described morale “as a mental condition or attitude of individuals and groups which determines their willingness to co-operate. Good morale is evidenced by employee enthusiasm, voluntary confirmation with regulations and orders, and a willingness to co-operate with others in the accomplishment of an organization’s objectives. Poor morale is evidenced by surliness, insubordination, a feeling of discouragement and dislike of the job, company and associates.” In the words of Yoder, “morale is a feeling, somewhat related to esprit de corps, enthusiasm or zeal. For group of workers, morale, according to a popular usage of the word, refers to the over-all tone, climate or atmosphere of work, perhaps vaguely sensed by the members.’

3.5.2 Types of Morale

The following are the two types of morale :

1. Individual and Group Morale

Individual morale is a single person’s attitude towards work, environment etc. Whereas group morale reflects the general attitude of a group of persons. Group morale is everybody’s concern and may go on changing with the passage of time. Individual and group morale are interested but not necessarily identical.

They have an effect on each other. The individual's personal perception of the present conditions may be high but the group's perception may be low or vice-versa.

2. High or Low Morale

Morale may be referred to high morale or low morale. In the words of McFarland, high morale exists when employee attitudes are favourable to the total situation of a group and to the attainment of its objectives. Low morale exists when attitudes inhibit the willingness and ability of an organization to attain its objectives. The words such as zeal, enthusiasm, loyalty, dependability denote high morale. Low morale may be described by words like lack of interest, laziness, apathy, bickering, jealousy, quarrelsome, pessimism, etc.

3. Morale and Motivation

Morale and motivation are inter related but differ from each other. Morale refers to the attitude of a person towards his work and environment while motivation is a process to inspire people. Motivation is an inner feeling which energizes a person to work more for satisfying his unsatisfied demands. Motivation revolves round needs and incentives while morale will determine the willingness to co-operate.

Morale is a group phenomenon while motivation is an individual's readiness to work more. Morale is related to the combination of various factors operating at work but motivation concerns to the job only. Motivation helps in mobilizing energy while morale is concerned with the mobilization of sentiments.

4. Morale and Productivity

Morale reflects the attitude of employees towards their work, it will be of interest to know if it has any bearing on productivity. A number of research studies reveal that there is no direct relationship between morale and productivity. High morale may lead to higher productivity but in some cases production may go down even. It is generally felt there is a positive relation between morale and productivity but the degree may not be the same. For example, 10 per cent increase in morale may lead to higher productivity but production may not necessarily increase by 10 per cent.

Miller and Form have given four combinations of productivity and morale viz:

- i) High productivity-high morale
- ii) Low productivity high morale
- iii) High productivity-low morale; and
- iv) Low productivity-low morale.

The first situation occurs when the individual is satisfied from the job and prevailing environment. He will try to achieve high standards of performance which will lead to higher productivity. In the second situation (low productivity and high morale) the employee may be satisfied from his work and situations prevailing, showing high morale. Lack of proper teaching of the employee, lack of administrative skill of the supervisor, defective materials, out-dated technology may lead to low productivity in spite of high morale.

In the third-situation, management may use strict supervision, prescribe punishments for low productivity and use better technology for raising productivity in spite of low morale. The fourth situation occurs where factors obtained in combination of high productivity high morale are lacking. There is a complexity of relationship between morale and productivity. This relationship cannot always be predicted. It may differ from organization to organization and from one time to another time.

3.5.3 Factors Affecting Morale

The employee morale is a very complex phenomenon and is influenced by many factors. Different authors like McFarland. Bradshaw and Krugman. Roach and Apple white name given different criterion for the determination of morale.

On the basis of all these classifications, the important factors in the determination of levels of morale are as describe below :

1. The Organization

The first factor affecting the employee morale is the organization itself. The organization influences the worker's attitudes to their jobs. The public reputation of an organization may build up for better or worse, their attitudes towards it.

2. The Nature of Work

The nature of the work, the worker is expected to perform also affects his attitude towards the job as well as his morale. If the employee is expected to perform routine or specialized jobs, he will feel bored and alienated. Repetition of the

same task again and again makes the working situation worse for the employees. Another factor is the large impersonal organizational structure. Sometimes, if the employee feels that he is just a cog in the machine instead of a person, his morale will become very low. Lack of understanding of organizational goals may also affect the morale. Another factor which causes low morale is the assembly line operations moving at a constant speed.

3. The Level of Satisfaction

The level of satisfaction, a worker derives from his job is another determinant of morale. If the job factors and the satisfaction they bring is perceived to be favourable by the employee morale will tend to be higher than if there factors seem to be unfavourable. The job factors include the factors such as opportunities for promotions, job security, steadiness of employment, opportunities to learn the job and to use his own ideas, pay working conditions, recognition, cooperativeness of co-workers, group relationship etc.

4. The Level of Supervision

The level of supervision received by an employee has a tremendous influence on his morale. High rate of employee turnover indicates that the leadership is ineffective. On the other hand, if employees are given freedom to do the job, their morale will be high. Nobody likes to be supervised all the time.

5. Concept of Self

What is the employee's concept of himself? The answer to this question influences the attitudes of the employees to the organizational environment. How an employee perceives himself, is a very important question. The morale of persons who have lots of self confidence or who enjoy good mental and physical health is generally high as compared to those who lack self confidence or suffer from poor physical or mental health.

6. Worker's Perception of Rewards System

The worker's perception of past rewards and future opportunities for rewards affect their morale to a substantial extent. If the workers regard the rewards as fair and satisfactory, their morale will tend to be higher than if the perception is in the opposite direction. Moreover, if the rewards and opportunities for the future tend to be bleak, morale will tend to be low as compared to the situation where the worker perceives opportunities for satisfaction and for attainment in the rewards that lie ahead in the future.

6. The Employee's Age

Studies have reported that age and morale are directly related. Other things being equal, elder employees seem to have higher morale. This is because of the reason that perhaps younger workers are more dissatisfied with higher expectations than their elders. The older employees have more stability which comes with maturity, a serious attitude towards job. more reliability, less absenteeism, proven steady work habits, a sense of responsibility and loyalty and less tendency to be distracted by outside interest as influences.

7. The Employee's Educational Level

Studies have concluded an inverse relationship in the educational level of the employee and his morale. Higher the educational level lower will be the job satisfaction and vice versa. The higher he thinks he should be the more dissatisfied he will be.

8. The Employee's Occupational Level

The occupational level of the employee also influences his level of morale. The higher up in organisational hierarchy an employee is higher will be his morale. The morale of the people who are lower in the levels of hierarchy is generally low because they compare their own attainments with those of others.

10. The Off the Job Activities of the Employee

The relationship of an employer with his family and work group influences his behaviour and attitude while he is on the job. His off the job activities e.g. whether his family life is happy or not, whether he has excessive drinking habits etc. The influences and pressures of a formal and informal group have a significant effect on the morale of workers.

3.6 ORGANISATIONAL CULTURE

The term culture is an Anthropological term. Culture refers to the underlying values, beliefs and codes of practice that makes a community what it is).

Culture is generally subjective and reflects the meanings and understanding that we typically attribute to situations.

Deal and Kennedy says that culture is the single most important factor accounting for the success or failure of an organisation.

The following are the definitions of organisational culture.

- i) Organisational culture is defined as the set of assumptions, beliefs, values and norms that are shared by an organisation's members.
- ii) According to *Edgar* and *Schein*, organisational climate is a pattern of basic assumptions invented, discovered or developed by a given group as it learns to cope with its problems of external adaptation and internal integration that has worked well enough to be considered valuable and therefore, to be taught to new members as the correct way to perceive, think and feel in relation to those problems

Thus, organisational culture is a set of assumptions that the members of an organisation share in common. The assumption may be in the form of internally oriented characteristics or externally-oriented characteristics. Internally-oriented characteristics include values, attitudes, beliefs, feelings, personality types etc., also known as abstract elements of culture. Externally-oriented characteristics include buildings, products, dresses etc., also known as material elements of the culture.

3.6.1 Characteristics of Organizational Culture

The important characteristics of organisational culture are,

- a) **behavioural Regularities** - When organisational members interact with one another, they use common terminology, language and rituals related to respect and behaviour.
- b) **Norms** - These include behavioural standards including guidelines on how much to work.
- c) **Values** - Every organisation advocates and expects its employees to share. Some examples are high product quality, low absenteeism and high efficiency.
- d) **Philosophies** - These are some policies that an organisation believes as how to treat its customers and/or employees.
- e) **Rules** - There are some guidelines to get along in the organisation. New employees should learn them to be treated as a member of the organisation.
- f) **Organisational Climate** - This refers to the physical layout, the way the participants interact the way in which the members of the organisation conduct themselves with customers, outsiders etc.

Concepts

According to *Vijay Sathe* the components of organisational culture are,

- i) Shared Things (Eg: The way people dress)
- ii) Shared Saying (Eg: Let's go down to work)
- iii) Shared Actions (Eg: A service-oriented approach)
- iv) Shared Feelings (Eg: Hard work is not rewarded here).

The following are the nature of organisation culture,

1. **Individual Initiative** - The degree of responsibility, freedom, and independence that individuals have.
2. **Risk Tolerance** - The degree to which employees are encouraged to be aggressive, innovative and risk-seeking.
3. **Direction** - The degree to which the organization creates clear objectives and performance expectations.
4. **Integration** - The degree to which units within the organization are encouraged to operate in a coordinated manner.
5. **Management Support** - The degree to which managers provide clear communication, assistance and support to their subordinates.
6. **Control** - The number of rules and regulations and the amount of direct supervision that is used to oversee and control employee behaviour.
7. **Identity** - The degree to which members identity with the organisation is as a whole rather than with their particular work group or field of professional expertise.
8. **Reward System** - The degree to which reward allocations are based on employee's performance criteria in contrast to seniority, favoritism, and so on.
9. **Conflict Tolerance** - The degree to which employees are encouraged to air conflicts and criticism openly.
10. **Communication Patterns** - The degree to which organizational communications are restricted to the formal hierarchy or authority.

Organisational members tend to internalise cultural practices and like to indoctrinate newcomers into such norms. Some of these practices are so thoroughly internalised that no one questions them-they are taken for granted, that is, they get institutionalised.

3.6.2 Forming a Culture

a) Mechanistic and Organic Cultures

The mechanistic organisational culture exhibits the values of bureaucracy and feudalism. Organisational work is conceived as a system of narrow specialism and people think of their careers mainly within these specialism.

Authority is thought of as flowing down from the top of the organisation down to the lower levels and communication flows through prescribed channels. There is a great deal of departmental loyalty and interdepartmental animosity, a strong “we” versus “they” perception. This sort of culture resists change and innovation.

Contrast is the organic culture. Formal hierarchies of authority, departmental boundaries, formal rules and regulations and prescribed channels of communications are frowned upon.

There is great deal of emphasis on task accomplishment team work and free flow of communication, formal and informal. In given problem situations, the persons with expertise may yield far more influence.

There is a widespread understanding within staff of the problems, threats and opportunities the organisation is facing and there is willingness and preparedness to take appropriate roles to solve the problems.

The culture stresses flexibility, consultation, change and innovation. CMC, a central Government organisation comes to one’s memory when one describes organic culture.

b) Authoritarian and Participative Cultures

In the authoritarian culture, power is concentrated on the leader and obedience to orders and discipline are stressed.

Any disobedience is punished severely to set an example to others. The basic assumption is that the leaders knows what is good for the organisation and he or she always acts in its interests. Participative cultures tend to emerge where most organisational members are professionals or see themselves as equals.

The participative culture is premised on the notion that people are more committed to the decisions that are participatively made than to those which are imposed on them.

Further, group problem-solving leads to better decisions because several new points and information are shared during discussions.

c) Subculture and Dominant Cultures

Each department of an organisation may have its own culture, in which case there is subculture. An organisational culture emerges when there is an integration of all the departments into an unified whole.

Within any given unit, the tendency for integration and consistency will be assumed to be present, but it is perfectly possible for coexisting units of a larger system to have cultures that are independent and even in conflict with each other.

d) Strong and Weak Cultures

In an organisation having strong culture, the core values are both intensely held and widely shared by its members.

Such employees develop strong loyalty to the organisation. The Hindu of Madras comes to one's memory in this context. One benefit of a strong culture is reduced turnover and positive employee attitude. A strong culture demonstrates high agreement among members about what the organisation stand for. Such unanimity of purpose builds cohesiveness and organisational commitment. The opposite will happen when culture is weak.

The danger with strong organisational culture is that it leads to "group thinking", collective blind spots and resistance to change and innovation.

e) National Culture Vs Organisational Culture

Distinction is also made between national culture and organisational culture.

Organisational culture is influenced by the culture of the land, irrespective of the origin of the company. Go to any company operating in India, Indian or foreign, the local culture is visible. The holidays declared, festivals celebrated, functions organised and other cultural activities reflect Indian ethics.

3.6.3 Process of Creating Culture

The process of creating organisational culture involves four sequentially followed steps. They are,

1. Establishment of values
2. Creation of vision
3. Operationalising values and vision
4. Socialisation of employees

1. Establishment of Values

Establishment of the values that govern the members of the organisation is the first step in creating organisational culture. Values of a business that guide the action, are created by the people responsible for managing it. In this connection Peters and Waterman described the type of values followed by many famous companies.

1. A belief in being the best.
2. A belief in the importance of the details of execution.
3. A belief in the importance of people as individuals.
4. A belief in superior quality and service.
5. A belief that most members of the organisation should be innovative.
6. A belief in the importance of informality to enhance communication.
7. A belief in and recognition of the importance of economic growth and profits.

2. Creation of Vision

Vision is the projection about what should be done in the future to achieve the stated goals. It is derived from the values created in the first step. A visionary company has following characteristics, as stated by *Collins* and *Porras*.

- i) A visionary company holds a distinctive set of values from which it does not deviate.
- ii) It expresses its core purpose in enlightened terms which provides challenges for actions.
- iii) It develops a visionary scenario of its future, decides actions accordingly and implement these.

3. Operationalising Values and Vision

Values and vision created in first two steps are put into action in this step. This can be done by undertaking following activities.

- i) A written statement of values and vision is included in employee handbook or circulated among employees.
- ii) An organisational structure that facilitates the employees to perform their activities freely is designed.

- iii) Implementing various organisational processes that inspire and motivate the employees.
- iv) Recruiting and selecting the employees whose values match with that of the organisation.
- v) Following a reward system that encourages the employees and enhances their commitment.

4. Socialisation of Employees

Socialisation is the process by which an individual develops into a functioning member of a group according to its standards, conforming to its modes, observing its traditions and adjusting himself to the social situations. In organisational context, it is an adaptive process that takes place as new employees attempt to learn and inculcate values and norms that are a part of organisational culture. Socialisation process, usually consists of three stages, Pre- arrival stage, Encounter stage and Metamorphosis stage.

3.6.4 Sustaining a Culture

Ethics form an important part of an organization. Ethics include the moral values, beliefs and the rules which monitor the manner in which the organizational members act and behave with one another within an organization and also with the outside people, this together forms an ethical culture.

In the present era, where each and every action of the company is being analyzed by the customers, investors and the government agencies, organizations and their employees need to be very careful in building up and maintaining their reputation.

Earlier creation of an ethical organizational culture was not emphasized greatly but now-a-days it has become quite important and the companies have started giving more/greater priority to the maintenance of ethical culture, otherwise it would be a damage or loss to the company.

One of the vital impacts of the ethical rules is its monitoring and bridling the uncontrolled self-interest. It is essential to control the self-interest because of the “tragedy of the commons”. The “tragedy of the commons” explains that it is common for the people to increase their use of “common” land or resources as these resources are free in nature.

For instance, the owners of the cattle would like to graze their animals on the open land in order to have the optimum utilization of the resources or to develop/increase their self-interest. As a consequence, the land would be over grazed and would result in soil-erosion.

In the process of increasing self-interest of the individuals, there would be a collective disaster.

Similarly, in an organization the same could take place i.e., the employees would try to achieve their own goals by ignoring the organizational goals. For instance, the top managers in the organization would always work in their own interest and advantage which would be harmful to the other stakeholders like shareholders, employees and customers.

In order to control such actions of the top managers there is a need of ethical values and culture, which would monitor and keep in control the self-interest and would develop the organizational interest.

Ethical values create the expected end states - for instance, equitable or “good” business practices and the behavioural modes which are required to attain the end states, like honesty or fairness.

Ethical values also decreases the need for people to assess as to what is correct and what is wrong? Implementation of the ethical values helps the employees to be more and more productive and reduce the time to be spent on deciding what action is to be taken?

Ethical values also help the organization to gain good reputation, which helps in attracting new customers, suppliers and also new employees.

The organizations with bad reputation or with unethical reputation increases hostility and mistrust in the organization. These organizations may be successful in the short-run, but in the long-run they would be suffering from losses.

Even if few people of an organization does an unethical or illegal activity, then also the whole organization has to suffer it. In order to avoid such actions, ethical rules and laws were designed. Otherwise, without these the organizations and the societies would suffer greatly.

3.6.5 Changing a Culture

Culture is transmitted to employees through number of means. The most effective means are, stories, rituals, material symbols and language.

a) Stories

Founding fathers of organizations emerge as heroes. Their sacrifice, valorous deeds and ingenuity in the difficult initial years of the organisation and later during crises periods are embellished into stories sagas.

They typically contain a narration of events about the organisation's founders, rule breaking, ragsto-riches successes, reduction in the workforce, relocation of employees, reactions to past mistakes and organisational coping.

These stories anchor the present in the past and provide explanations and legitimacy for current practices.

b) Rituals

Rituals to any practice or pattern of behaviour repeated in a prescribed manner. Key values of the organisation are reflected in rituals.

One of the practices religiously followed by the students and the faculties to conduct prayer every morning in the college. In addition, every festival is celebrated with religious favour, both staff and students participate with great enthusiasm.

Work in Maruthi Udyog starts every morning with all employees assembling and doing yoga. Similarly, in the annual conference of the branch and depot managers of Transport Corporation of India, the high performing managers are gifted with a suit-length material each by the CEO.

Repeated activities of the type mentioned above will help employees learn culture of the organisation.

c) Material Symbols

The layout of corporate headquarters, the types of automobiles, top executives are given, the presence or absence of corporate aircraft, size and layout of offices, the elegance of furnishings, executive perks, dress attire and the like represent material symbols. These symbols convey to employees who is important, the degree of egalitarianism desired by top management and the kinds of behaviour that are appropriate.

d) Language

Many organizations and units within organizations use language as a way to identify members of a culture or subculture. By learning this language, members attest to their acceptance of the culture and in so doing, help to preserve it.

Organizations, overtime, often develop unique terms to describe equipment, offices, key personnel, suppliers, customers or products that relate to its business. New employees are frequently overwhelmed with acronyms and jargon that, after six months on the job, have become fully part of their language. Once assimilated, this terminology acts as a common denominator that unites members of a given culture or subculture.

If the prevailing culture is unfavourable to organisational effectiveness' it needs to be changed. A few principles are available for this purpose. Some of them are within the control of management and some others are the result of external forces. A brief description of those principles follows.

1. Change Reward Systems

Since culture is learned, it can also be unlearned. Reward systems establish and reinforce specific cultural behaviours and therefore, a change in culture can be initiated and supported by changes in corporate reward systems.

2. Add New Members

Adding new members, particularly at the higher levels, is a powerful strategy to change the culture, provided that the new members bring in new culture.

3. Implement Culture Shock

A culture shock is an event that causes an organisation to seriously examine its culture. The event could be a cut in profits, dismissal of the company's top boss, a lawsuit, or an event that challenges the company's internal integrity. If such events are attributed to cultural deficiencies, drastic changes are made quickly.

4. Change of Chief Executive Officer

In addition to its potential shock values, changing the CEO can have a major impact on organisational culture, the CEO sets the norms and formal reward systems for achieving corporate goals. He or she, in a very real sense, is the personification of the culture. A change of this magnitude can have a significant impact on others in the organisation.

5. Involve Members

Since changing a culture involves not only changing behaviour patterns but also underlying assumptions, values and beliefs, participative mechanisms are more likely to be successful at the attitudinal level. Culture change can be forced if necessary and if the dominant culture is powerful enough, enforcement is a costly strategy. Individuals resent having their cultures being disrupted and will often resist attempts to make major changes. Participation and the associated communication processes that accompany it can often assist in minimising the resistance.

UNIT IV

Organisational Power & Politics - Conflict - Communication:

Power and Politics: Power Bases – Dependency – Individual Versus Organisational Power – Political process in Organisation – Factors contributing – Techniques of Organisational Politics – Managing Political Behaviour.

Conflict: Transition in Conflict Thought – Functional and Dysfunctional Conflict – Process of Conflict – Managing Conflict.

Communication: Significance – Process – Formal and Informal Communication – Barriers to communication – Improving Communication Skills – The Human Impact of Computer – Mediated Communication.

4.1 POWER AND POLITICS

4.1.1 Meaning of Power

Power is an important element in motivation. It is required to motivate individuals or groups to work towards a certain end. In this context, it is also an important aspect in leadership.

4.1.2 Definition of Power

“Power is the probability that one actor within the relationship will be in a position to carry out his own will despite resistance.”

– **Max Weber**

“Power is the ability to influence flows of the available resources towards certain goals as opposed to other goals. Power is assumed to be exercised only when these goals are at least partially in conflict with each other.”

– **Nord**

“Power refers to a capacity that A has to influence the behaviour of B. So that B does something he or she would not otherwise do.”

– **Robbins**

Contrasting Leadership and Power

Essentially, leaders achieve goals, and power is a means of facilitating their achievement.

- Leadership involves the goals of the leaders and followers - Power does not
- Leadership focuses on downward influence (leader - subordinate) - Power does not.

4.1.3 Bases of Power (or) Types of Power

Power means many different things to different people. For some, power is seen as corrupt. For others, the more power they have, the more successful they feel. For even others, power is of no interest at all. The five bases of power were identified by John French and Bertram Raven in the early 1960's through a study they had conducted on power in leadership roles. The study showed how different types of power affected one's leadership ability and success in a leadership role.

The five bases of power are divided in two categories:

a) Formal Power

1. Coercive

Coercive power is conveyed through fear of losing one's job, being demoted, receiving a poor performance review, having prime projects taken away, etc. This power is gotten through threatening others. For example, the VP of Sales who threatens sales folks to meet their goals or get replaced.

2. Reward

Reward power is conveyed through rewarding individuals for compliance with one's wishes. This may be done through giving bonuses, raises, a promotion, extra time off from work, etc.

3. Legitimate

Legitimate power comes from having a position of power in an organization, such as being the boss or a key member of a leadership team. This power comes when employees in the organization recognize the authority of the individual. For example, the CEO who determines the overall direction of the company and the resource needs of the company.

b) Personal Power

1. Expert

Expert power comes from one's experiences, skills or knowledge. As we gain experience in particular areas, and become thought leaders in those areas, we begin to gather expert power that can be utilized to get others to help us meet our goals. For example, the Project Manager who is an expert at solving particularly challenging problems to ensure a project stays on track.

2. Referent

Referent power comes from being trusted and respected. We can gain referent power when others trust what we do and respect us for how we handle situations. For example, the Human Resource Associate who is known for ensuring employees are treated fairly and coming to the rescue of those who are not.

Which bases of power are most effective?

If the three bases of formal power (coercive, rewards, legitimate) and two bases of personal power (expert, referent), which is most important to have? Interestingly, research suggests pretty clearly that the personal sources of power are most effective. Both EXPERT and REFERENT power are positively related to employees' satisfaction with supervision, their organizational commitment, and their performance, whereas reward and legitimate power seem to be unrelated to these outcomes. Moreover, one source of formal power coercive power actually can back fire in that it is negatively related to employee satisfaction and commitment.

4.1.4 Dependency

The study of power is incomplete without understanding the role of 'dependency' in the process of application of power. When a person is dependent on another for a certain thing, then the other person is said to have power over him/her. The extent of "dependency" is inversely proportionate to the availability of substitute sources. The level of dependency depends upon the importance, scarcity, and non-substitutability of the resource controlled by a person.

1. Importance

The importance of resources as perceived by an individual is a major element in deciding the level of dependency of a person. For example, the marketing department in a manufacturing company might have a greater influence if the company gives more importance to it. Similarly, the research and development department may influence an organization if the organization lays more emphasis on product innovation.

2. Scarcity

The dependency levels of individuals on people who control scarce resources is higher. For instance, when the demand for employees possessing certain skills is more than their supply, then they are paid much higher salaries than other employees.

3. Non-substitutability

When a particular resource does not have any viable substitutes, then the person who controls that resource will have power over those who require that resource. When the resources possessed by a person cannot be substituted, then people who are in need of such resources have to be dependent on the person who possesses them.

4.1.5 Individual Versus Organisational Power

In popular literature, power is often described as a personal characteristic, and a frequent topic is how one person can influence or dominate another person. You probably recall from an earlier management or organizational behavior course that managers have five sources of personal power. Legitimate power is the authority granted by the organization to the formal management position a manager holds. Reward power stems from the ability to bestow rewards – promotion, raise, pat on the back – to other people.

The authority to punish or recommend punishment is called coercive power. Expert power derives from a person's higher skill or knowledge about the tasks being performed. The last one, referent power, derives from personal characteristics such that people admire the manager and want to be like or identify with the manager out of respect and admiration. Each of these sources may be used by individuals within organization.

Power in organizations, however, is often the result of structural characteristics. Organizations are large, complex systems that contain hundreds, even thousands, of people. These systems have a formal hierarchy in which some tasks are more important regardless of who performs them. In addition, some positions have access to greater resources, or their contribution to the organization is more critical. Thus, the important power processes in organizations reflect larger organizational relationships. Both horizontal and vertical, and organizational power usually is vested in the position, not in the person.

4.1.6 Power Versus Authority

Power is an intangible force in organization. It cannot be seen, but its effect can be felt. Power is often defined as the potential ability of one person (or department) to influence other persons (or departments) to carry out orders – or to do something they would not otherwise have done. Other definitions stress that power is the ability to

achieve goals or outcome that power holder's desire. The achievement of desired outcomes is the basis of the definition used here. Power is the ability of one person or department, in an organization to influence other people to bring about desired outcomes. It is the potential to influence others within the organization but with the goal of attaining desired outcome for power holders.

Power exists only in a relationship between two or more people, and it can be exercised in either vertical or horizontal directions. The source of power often derives from an exchange relationship in which one position or department provides scarce or valued resources to other department. When one person is dependent on another person, a power relationship emerges in which person with the resources had greater power. When power exists in a relationship, the power holders can achieve compliance with their requests.

For example, the following outcomes are indicators of power in an organization:

- • • • Obtain a larger increase in budget than other departments. Get items on the agenda at policy meetings. People throughout the organization can exercise power to achieve desired outcomes. Back in 1994, when the Discovery channel wanted to extend its brand beyond cable television, Tom Hicks began pushing for a focus on the emerging internet, even though Discovery's CEO favored exploring interactive television. Hicks organized a campaign that eventually persuaded the CEO to focus instead on Web publishing, indicating that Hicks had power within the organization. Today, Hicks runs Discovery Channel Online.

The key to success, he says, is "to consider your personal ambitions separately from your strategic goals for the company. The concept of formal authority is related to power but is narrower in scope. Authority is also a force for achieving desired outcomes, but only as prescribed by the formal hierarchy and reporting relationships. Three properties identify authority;

1. Authority is vested in organizational position. People have authority because of the position they hold, not because of personal characteristic or resources.
2. Authority is accepted by subordinates. Subordinates comply because they believe position holders have a legitimate right so exercise authority. Staff members were aligned with three top managers who had been hired to handle the day –Staffers accepted the authority of the managers because they worked with them on a daily basis; therefore, they supported the managers' decisions over those of the two co – owners.

3. Authority flows down the vertical hierarchy. Authority exists along the formal chain of command, and positions at the top of the hierarchy are vested with more formal authority than are positions at the bottom. Organizational power can be exercised upward, downward, and horizontally in organizations. Formal authority is exercised downward along the hierarchy and is the same as vertical power and legitimate power

Factors contributing political behavior of individuals in the organization

The political behaviour of individuals in the organisation is influenced by a variety of factors. These factors can be broadly categorised into individual and organisational factors. Individual Factors: There are individual factors where individuals play politics to satisfy their personal needs. These personal or individual needs are like to gain power for control and to influence decision-making process of the organisation.

The aim of such individuals is to increase the area of their influence. They try to sustain power as it helps to obtain personal needs and fulfill desires. In organisations, individuals play politics as they have great desire and high need of gaining power. Such types of individuals are basically internals and self-monitored people. There are many individuals who play politics because of their expectation of quick success in life at any cost.

4.1.7 Organisational Factors

There are some of the organisational factors that influence the individuals to play politics in the organisations. These factors are as follows :

1. **Limited Resources in the organisation :** When there are limited resources in the organisation then every individual in the organisation wants to have optimum resources. It results in making individuals getting engaged themselves in politics to get the maximum advantage of the distribution of resources.
2. **Interpretation of limited resources:** - The interpretation of limited resources like position, power, promotion etc in the organisation makes individuals engage in the politics. The individual who craves for such resources feels that they may be deprived of such resources in the process of distribution of resources and so they play politics in the organisation.
3. **Uncertainty in decision-making:** - There are some individuals who take advantage of the situation where there is uncertainty and ambiguity in decision-making because of unclear rules and policies.

4. **Performance evaluation:** - The individuals tend to play politics in the organization when performance evaluation and its outcome are subjective, qualitative and unclear.
5. **High Performance pressure:** - The individuals play politics when they are enforced with high performance pressure. The politics playing in the organization becomes measure to pressurize authority to withdraw control and lower the performance target.
6. **Decision-making culture:** - Democratic and participative decision-making culture of the organisation is also liable to organizational politics as every individual wants to enhance his/ her importance and thereafter give opinion on crucial and important matters.
7. **Affecting lower level persons:** - The lower level persons get affected when they experience persons at higher level playing politics.

4.1.8 Political Process in Organisation

Definition of Politics

According to Stephen Robbins, politics are, “those activities that are not required as part of one’s formal role in the organization, but that influence, or attempt to influence, the distribution of advantages and disadvantages within the organization.”

According to Bronston T. Mayes and Robert W. Allen, organizational politics can be defined as the deliberate, “management of influence to obtain ends not sanctioned by the organization or to obtain sanctioned ends through non sanctioned influence means.”

The above definitions suggest that politics is -

- Outside the range of an individual’s work environment
- Is concerned with obtaining and utilizing power for one’s own needs.

Organizational politics are informal, unofficial, and sometimes behind-the-scenes efforts to sell ideas, influence an organization, increase power, or achieve other targeted objectives. Politics has been around for millennia. Aristotle wrote that politics stems from a diversity of interests, and those competing interests must be resolved in some way. “Rational” decision making alone may not work when interests are fundamentally incongruent, so political behaviors and influence tactics arise.

Today, work in organizations requires skill in handling conflicting agendas and shifting power bases. Effective politics isn't about winning at all costs but about maintaining relationships while achieving results. Although often portrayed negatively, organizational politics are not inherently bad. Instead, it's important to be aware of the potentially destructive aspects of organizational politics in order to minimize their negative effect. Of course, individuals within organizations can waste time overly engaging in political behavior.

The managers waste 20% of their time managing politics. However, as John Kotter wrote in *Power and Influence*, "Without political awareness and skill, we face the inevitable prospect of becoming immersed in bureaucratic infighting, parochial politics and destructive power struggles, which greatly retard organizational initiative, innovation, morale, and performance."

Organizations typically have limited resources that must be allocated in some way. Individuals and groups within the organization may disagree about how those resources should be allocated, so they may naturally seek to gain those resources for themselves or for their interest groups, which gives rise to organizational politics. Simply put, with organizational politics, individuals ally themselves with like-minded others in an attempt to win the scarce resources. They'll engage in behavior typically seen in government organizations, such as bargaining, negotiating, alliance building, and resolving conflicting interests.

Examples of these self-serving behaviors include bypassing the chain of command to get approval for a special project, going through improper channels to obtain special favors, or lobbying high-level managers just before they make a promotion decision. These types of actions undermine fairness in the organization, because not everyone engages in politicking to meet their own objectives. Those who follow proper procedures often feel jealous and resentful because they perceive unfair distributions of the organization's resources, including rewards and recognition.

In 1950s Lasswell claimed that politics is important since it represents the secret of 'who gets what, when and how' in a social system.

The Players

1. The Leader

Political climate of an organization is impacted by a leader through treatment and use of authority under different settings which is clearly visible during the

acts of decision making, setting agenda and interaction with others to mobilize support, inspire teams and individuals and recognize people. This interplay between leaders and their authority & influence over the followers set the tone for political climate in an organization. A leader too has support from employees who find their tuning with the leader matching.

2. The Aspirant

He is the second in command and constantly inspiring to sit in the same chair in front of which everyday he has to stand and although with artificial pleasantness has to say “yes sir”. He is somebody who continuously brags about how the same work he could have done in different and effective way. This aspirant too has his people who mostly are unhappy with the style of functioning of leader.

3. The Wise

These are the intelligent people in the organization who are full of knowledge and attitude which is required to perform the job in the best way. As these people know their jobs the best and perform them best. These people mean business. With this attitude they keep the fringe elements of organization politics away from them. Normally nobody tries to drag them into dirty mud sledging. Wisely they too keep themselves ready with ammunition for any attempt to malign their name in cheap and dirty politics.

4. The Negatives

These are disgruntled elements of the system. Continuous frustration with the organization make them get all time negative about new ideas and their results. One can also find their total interest with organization turning low due to their unfulfilled ambitions and neglect of these ambitions by the management. Their warning against an organization's decision can also be due to their vested interest that they were not involved in the decision making process.

5. The News Channel

These are the news spreaders of organization. The true and false, every breaking news they carry to the influential places. Their network connections can be found to be in different groups of organization which makes getting news simpler for them. They are nobody's friends or foes. They enjoy this work of passing information and feeling pride normally they are the first breakers of the news.

4.1.9 Understanding of Organizations' Political Systems

Understanding the power equation in the organization is very important in order to deal with organizational politics in tactful way. It is especially is very important to keep oneself away from the adverse impact of political strategies played by different players in the organization. Organizational politics significantly affect processes like communication, decision making. Job satisfaction enjoyed by the organizational members significantly goes down with the increased degree of political environment present in the organization.

It all starts at top

Leader should get his position in the organization strictly on basis of his performance. Such leader only can command respect from his subordinates. Leaders who acquire their position due to their personal equations lead up vitiating environment even more. Formation of groups and personal equations acquire more important position in such organizations.

The spirit of cooperation is replaced by competition and such competition at times can turn unhealthy harming the organizational performance. A leader should act as a role model for the employees. He should command respect due to his persona and efforts that he has for the development of the organization. For the reason the organization should have fair and just criteria of selection and promotion. The policies regarding it must be made open for all the employees and all the procedures should be followed according to the policies framed.

Team Spirit

Now a days more and more organizations are turning team based where the work of the members highly depends on each other. All the members of the organization should believe in the goals and values hold important by the organization. Organization culture should incorporate feeling of unity among its members. E.g. emails sent by CEO to the employees can create a feeling of personal touch and can bind the organization into a spirit of relatedness. Tactics of "divide and rule" at the top management can end up only making company environment more unpleasant. Political minded leaders can never create environment of team spirit and innovation.

Organizational Culture

Organization culture gets created from the values of the founder, top management, selection criterion and socialization process of an employee in the organization. The

founder and especially top management should discourage all the behaviour which is not demanded by the organizational duties and which do not contribute to the organizational performance.

The culture does get spoiled over the time with the change in the organizational members. Top management should keep itself abreast of the changes taking place on the ground. It becomes hard for the top management to know things taking place on the lower level of organizational hierarchy due the presence of another layer hierarchy i.e. middle managers. Feedback from the employees should be taken from time to time to know their opinions about the overall working environment of the organization.

Organizational culture should preserve basic human values of dignity, freedom and relatedness. Culture should create spirit of innovation and employees should be empowered to go beyond their formal duties. Organization which is open to change, which has proactive approach and which always appreciates its performers, will find less politics among members. Culture of trust is must for an organization to perform in a free and psychologically free environment. If employees trust their superior, they are more likely to become attached to the work and the company, and therefore become more passionate about their work.

In the same way organization should trust in the abilities of employees and give freedom to take decisions rather than holding authority at central place and creating fear psychosis of punishment for any mistake at the workplace.

Transparent Decision Making Process

Ambiguity about roles and duties can lead to loss of faith and trust. This distrust damages the ability of the leaders to lead and of the enterprise to accomplish its objectives. Transparency in decision making refers to the degree of openness regarding information about the nature of transactions, terms of contractual agreements, degree of financial interest, and terms of business dealings. When transparency is high, people within the organization and those dealing with it tend to place greater confidence in the honesty, integrity and trust-worthiness of its leaders. When transparency is low, people within the organization and those dealing with it tend to withdraw trust and treat the leadership and the organization with growing doubt and suspicion.

There is more likely to get into lobbying to get decisions in favour. Worse, when people who thought there was transparency, suddenly are surprised and discover that things have not been truly open, direct or honest, there is a strongly negative emotional reaction that surpasses mistrust, bleeding into outright anger or shock followed by depression or rage.

Open Communication System

Open system is often referred as 'walking the talk', it also means doing what has been said. Before implementing any plan it is important to take employees' opinions into account. It is also necessary that communication systems of the organizations should make the managers accessible to employees whenever requires. This forms the basis of open communication system where the organization accommodates the employee needs thus motivating him to improve productivity.

If the organization desires to establish an honest and simple communication process, let your employee see the processes and the changes. Compliments, appreciation and feedbacks form the three pillars of open communication system which will act on a looped basis to further improve its efficiency.

Frequent discussions and open ended sessions will help improve the input rate and the confidence and security of the employee on the work leading to less involvement in organizational politics. Some of the senior managers make use of MIS (Management Informant System) i.e. use of some of their own subordinates to get information about who is doing what in the organization. Such tactics lead to suspicion among the subordinates about each other, ultimately harming the team spirit. Senior members should refrain from such tactics to get the information by using their own subordinates.

4.1.10 Factors Contributing

A) Factors Relating to Political Behavior

A number of factors are responsible for political behaviour. These factors are grouped into individual factors and organisational factors shown in the Figure.

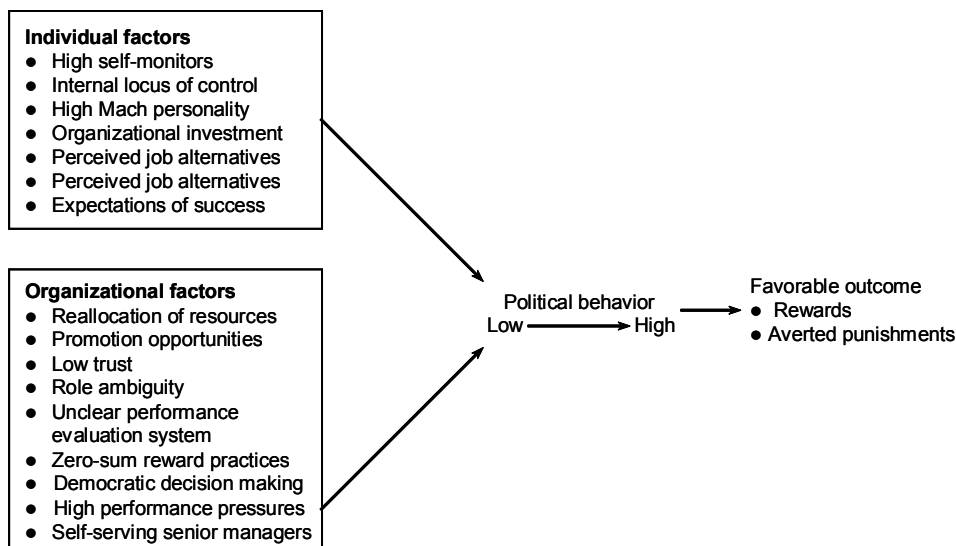


Fig.: Factors that influence political behaviour

1. Individual Factors

Factors contributing to the political behaviour at the individual level are:

- **High self-monitors:** Skilled in political behaviour.
- **Internal Locus of Control:** Proactive and prone to manipulate situation in their favour.
- **High Machiavellian Personality:** Will to manipulate and desire for power. Use politics to further self interest.
- **Investment in Organisation:** Investment in terms of expectations force the individual to use illegitimate means.
- **Perceived Job Alternatives:** More job opportunities an individual has results in more political behaviour.

2. Organisational Factors

Organisational factors contributing to political behaviour include:

- **Reallocation of Resources:** The reallocation of resources is necessary when the resources available either increase or decrease. These situations force the individuals to resort to politics.
- **Promotion Opportunities:** Normally, the opportunities for promotion or advancement are lesser than the candidates expecting promotion. This situation leads to competition and thereby political behaviour by the competing candidates.
- **Low Trust:** Low trust in organisations leads to tight control which in turn makes the subordinates to behave illegitimately.
- **Role Ambiguity:** The unclear expectations from the employee makes him to act politically.
- **Unclear Performance Appraisal System:** Employee does not know what to do? And to what level of perfection he has to do? etc. under the unclear performance appraisal system. This situation creates ambiguity and leads to political behaviour.
- **Zero-Sum Reward System:** The win-lose approach in reward allocation is called zero-sum approach. People perceive that they won double if others

lose. For example, if only one employee is promoted have employee's joy is immense. Therefore, this situation makes people take the chance, even through illegitimate means.

- **Democratic Decision-Making:** The traditionally autocratic managers cannot make the decisions democratically in its true sense. Therefore, they refer the issues to committees and commissions to offer recommendations, and finally they make the decisions as they desire.
- **High Performance Pressures:** High performance pressures make the people to find shortcuts and politics to show superfluously high performance or through window-dressing.
- **Self-serving Senior Managers:** The political behaviour by the top management with rewards encourages the people at the lower level to resort to politics.

B) Employee responses to Organizational Politics

The practice of performance evaluation is far from a perfect science. The more that organizations use subjective criteria in the appraisal, emphasize a single outcome measure, or allow significant time to pass between the time of an action and its appraisal, the greater the likelihood that an employee can get away with politics. Subjective performance criteria create ambiguity can get away with politics.

The use of a single outcome measure encourages individuals to do whatever is necessary to look good for that measure, but often at the expenses of performing well on other important parts of the job that are not being appraised. The amount of time that elapses between an action and its appraisal is also a relevant factor. The longer the time, the more unlikely the employee will be held accountable for his or her political behaviors.

The more that an organization's culture emphasizes the zero-sum or win-lose approach to reward allocations there more employees will be motivated to engage on politics. The zero-sum approach treats the reward pie as fixed so that any gain in one person or group achieves has to come at the expenses of another person or group.

C) The Ethics of Power and Politics

Organizations of today are laying great emphasis on ethics and social responsibility. So that multinational companies are including 'corporate governance' as part of their business strategies. A lot of importance is also being given to the ethical

dimensions of power and politics. Misuse of power and illegitimate use of politics not only have adverse effects on organizations, they are also unethical. However, differentiating between ethical and unethical behavior is not an easy task. According to Fred Luthans, every person must consider the following guidelines before determining the ethics of a certain decision or action:

- An individual must give priority to organizational interest instead of placing his/her individual interest first.
- An individual's actions must not violate the basic rights of another person.
- An individual's behavior and action must be in accordance with the standards of equity and justice.

D) Regulating Organization Politics

Political behaviour of the employees cannot be eliminated completely. Political behaviour sometimes contributes to the achievement of organisational goals. Managements can maximise the desirable outcome of organisational politics by regulating the dysfunctional political activities. Strategies to regulate dysfunctional political activities include:

- **Sufficient Supply of Resources:** Minimise the superior's discretion over critical resources by ensuring sufficient supply of material, financial, human and other resources.
- **Clear Rules:** Formulate the clear rules regarding the distribution of critical resources when they are scarce even after taking all possible steps.
- **Open Communication:** Open communication allows communication flow of freely in all directions through the establishment of intranet facility.
- **Employee Involvement:** Involve the people in decision-making and implementation areas.
- **Empowerment:** Empower the people, so that their human resources are used for organisational effectiveness.
- **Flat Organisational Structure:** Follow the flat and team organisational structure where the people have to attend to the challenging activities and thereby do not find time for political activity.
- **Open Door Policy:** Follow open-door policy and open-minded approach in sorting out the issues.

E) Implications on Behaviour and performance

Power and politics are both functional as well as dysfunctional. In other words, they are constructive and contribute strategically for the organisational goals. Similarly, they are destructive and create hurdles for the achievement of organisational goals. However, political behaviours can be regulated and channeled towards the constructive activities. In such cases, power and politics result in moulding the employee behaviour towards the desired lines. The specific implications of power and politics on behaviour and performance include:

- **Teamwork:** Power and politics enable the individuals to form coalitions in the short run and form teams in the long run. They enable exchange of human skills, knowledge etc. and get the advantage of synergy.
- **Motivation:** Power and politics enable the executives to use their different kinds of power and motivate the subordinates.
- **Moulding the Behaviour:** Power and politics make the unwilling workers to accept the requests and orders of the superiors willingly.
- **Performance:** The referent power makes the employees to involve in organisational activities with self-commitment, motivation and discipline. Expert power makes the subordinates to enrich their skill and knowledge. The enriched employees improve their job performance.
- **Empowerment:** The referent power and expert power help employee empowerment.
- **Employee Involvement and Participation:** The counter power and politics provide the way for employees to involve and participate in decision making and formulate strategies jointly with the executives.
- **Satisfaction:** Power and politics, if they are used and handled properly, lead to employee job satisfaction for the achievement of higher performance and organisational goals.

4.1.11 Techniques of Organisational Politics

All organisations are subject to conflict and competition between the desires and interests of different departments, teams and individuals. Organisational politics refers to the processes through which these rival interests are played out and eventually reconciled. While in an ideal organisation it may be hoped that decisions are made on a rational basis, politics is inherently non-rational and subject to power interactions

between diverse interests. Members of an organisation are at the same time cooperating to achieve a common goal and competing for rewards, and at times their personal interests may be at odds with the organisation's objectives.

It is through the political system of an organisation that rival interests are resolved. This system represents how power is applied and distributed in the organisation. Understanding the political system of an organisation is necessary for a leader to operate effectively and reach their goals. A leader, exercising power, is able to have a strong influence on the political climate of an organisation through their decisions, their way of handling conflict and providing recognition, support and inspiration to their teams

Negative organisational politics may be very destructive for an organisation. This has been identified as one of the major sources of stress within modern businesses. Negative politics includes the use of subversive methods to promote a personal agenda which may undermine organisational objectives, distract energy away from organisational goals and compromise the interests, cooperation and fulfilment of other employees. Such tactics may include filtering or distortion of information, non-cooperation, allocating blame, reprisals, dishonesty, obstructionism and threats.

Impression management is another aspect of organisational politics that it is important to maintain an awareness of. The term refers to techniques of self-presentation where a person may purposefully control the information they put forward about themselves or their ideas to create a favourable impression. For the leader this implies that everything may not always be as it appears. Studies have indicated that people using impression management may be more favourably rated by their supervisors than others. On the other hand, being aware of the impression you are creating should be considered in building support for your own goals. The extent to which impression management is applied is an ethical question that relates to a leader's credibility and integrity.

Often, political behaviour and manoeuvring within an organisation is caused by uncertainty, such as unclear objectives, poorly defined decisions, competition and change. A leader's influence may be used to smother a political climate that promotes such negative politics.

By promoting a positive culture that values integrity, respect and fairness within their team, the leader is able to channel people's interests and energy away from negative political interplay and towards an alignment with organisation objectives. Allowing team members to express their interests and demonstrating a commitment to support individual needs integrates their fulfilment into the work organisation and promotes the positive resolution of political conflicts

4.1.12 Managing Political Behaviour

As business demands cause companies to become more distributed and global, dispersed organizational structures are created that fuel internal politics. So, how do these companies manage the sharing of knowledge and the co-ordination of tasks across borders?

A greater trend towards globalization in business is encouraging companies, especially those which rely more on knowledge than physical materials, to outsource and offshore many of their in-house activities, moving them to a wholly-owned company or independent service provider in another country. One consequence is that many companies find their value chain is dispersed across borders. While the resulting differences in geography, norms, skill sets, language, culture and interests add value, colour and vibrancy to the company, such a move also increases the complexity of managing the knowledge process – the access, transfer, dissemination, sharing, and integration of knowledge – and distributed tasks, during different stages of product and service lifecycles.

Typically, the diversity of local contexts and working groups may hamper the transfer of contextual or mutual knowledge that communicating parties share in common. In addition, remote counterparts often adopt unique local routines for working, training and learning that may obstruct the development of shared understandings among remote teams. Differences in skills, expertise and technical infrastructure and methodologies can cause further difficulties, as can different time zones, which reduce the window for real-time interaction. All these challenges can be understood in terms of three primary perspectives.

The first perspective, knowledge transfer, focuses on the technical aspects including the use and development of information artefacts - the means for sharing information that supports communication across borders.

The second, knowledge translation, emphasises the social aspects, including establishing trust, a shared language and using collective stories as a way to address interpretive crossborder differences.

The third perspective, knowledge transformation, has its origins in a political approach that primarily concerns itself with the political aspects of knowledge, and the interests and agendas of people when they engage in cross-boundary knowledge co-ordination.

Organisational Politics

Organisational politics is the rivalry between competing interest groups or individuals for power, authority and leadership. The means often used include: influence attempts, power tactics, informal behaviour, and concealing one's motives. This can result in: self-serving behaviour, acting against the interests of the company, securing valuable resources, and attaining power.

Typical Issues

It identifies three typical political "situations" when managing knowledge processes in globally distributed teams.

First, inconsistent or misaligned incentive systems are more likely to lead to organisational politics. When teams are globally distributed, the dispersion of people means that the time they spend together is a scarce resource, and people may not have the opportunity to 'clear the air'. The emergence of localised interests and preferences may make such situations potentially more susceptible to political manipulation.

Typically, different incentive structures that create ambiguity and blur the relationship between performance and desired outcomes for teams can cause problems. Understandably, organisational politics can develop as members of the two groups may then tend to privilege their own interests, even when these are at odds with that of the other group and organisation.

Second, differences in status among members of globally distributed teams may lead affiliates to experience a higher degree of organisational politics than in the case of relationships companies have with external contractors or third-parties.

Although being part of the same organisation may mitigate the threat of possible opportunism and misappropriation of intellectual property (which may occur in contracting or third-party relationships), it may also generate horizontal hierarchies and status differentials within distributed organisational members (such as those working in core front- and peripheral back-offices). This creates a politically sensitive atmosphere.

Finally, knowledge discrimination and censorship among organizational members of globally distributed teams may lead affiliates to experience a higher degree of organisational politics than in the case where organisations have contracting or third-party relationships.

Not involving remote teams in sensitive forms of knowledge in the context of high-value activities, such as client negotiations, may breed a culture of mistrust and impede knowledge flows.

As a result, front-office (and usually more highly paid) employees may thus be less open to sharing key knowledge and expertise with their back-office counterparts for fear of becoming less critical to the company. Similarly, backoffice employees may refuse to share knowledge or withhold information due to perceptions of being unjustly treated.

Such knowledge discrimination may create impediments towards developing a feeling of 'being in the same boat and may reduce their ability to develop good relationships and collaborate with onshore workers.

4.1.13 Managing Politics

what are the possible steps team managers can take to manage organisational politics and improve knowledge management in globally distributed teams? We suggest three distinct approaches.

First, instead of aiming at reducing or eradicating organisational politics, managers need to focus on activities that create a healthy political environment in order to improve knowledge flows and organizational performance. This means getting employees to speak out and expose troublesome issues, vent their frustrations, and engage with others in an open and transparent manner. Furthermore, alongside cultural managers, companies should consider appointing "alignment managers", people with political competencies and connections who can push ideas forward, steer organisational change initiatives and enrol wider support without triggering resistance.

Second, managers need to be consistent in the way they support behaviour and align interests, goals, and responsibilities among members of globally distributed teams in order to increase their motivation to share and disseminate knowledge. We suggest using insights from organizational economics to emphasise the need for appropriate incentive systems for aligning political interests and motivating people to share knowledge. Such tangible measures may contribute to developing a sense of mutual dependence and oneness, and complement programmes aimed at technical and cultural alignment to improve the management of knowledge processes.

Finally, global teams need to renew and renegotiate norms and work habits on an ongoing basis, and not only at the beginning of a project. We argue that engaging in actions to diffuse tensions and power struggles should be a continuous, not a one-off,

activity. In studying several offshore projects at different locations, we observed that companies tend to devise elaborate training programmes and invest in creating cultural and technical compatibility among dispersed teams at the inception and during the early stages of an offshore or an outsource project. However, as the project progresses, enthusiasm for such pressures may wane and dispersed counterparts that tend to shift their attention to local interests and priorities while paying less attention to the globally collaborative mode of work.

Organisational Solutions

The diversity of cultures, languages, customs and attitudes that a distributed organisation brings onboard can be viewed as a benefit, but also a challenge. The resulting organizational politics is an integral part of business and a fact of life that cannot be ignored.

In addressing this issue, it is crucial for businesses to recognise that their teams (in particular those that are part of the same company) are more prone to organisational politics than others. This requires organisational efforts and politically savvy managers to mitigate some of the negative impact of political behaviour, which may impede the flow of knowledge and the co-ordination of distributed tasks.

4.1.14 Politics vs. Power

Politics are prevalent in the workplace. The inner workings of how an organization, such as a franchise, functions on a daily basis have to do with its politics. Unlike power, politics do not have to be played by everyone within an organization. Depending upon what position level an individual is in an organization determines what role in the politics he or she may play.

An individual who are part of the custodian or maintenance worker position may not feel that he or she has to play in politics within the franchise. While a person who is at an administrative level position may feel that learning the politics within that organization may be beneficial in the role that he or she may have to play. Playing the political game of who needs to lobby with whom in order for things to run smoothly is part of any organization. Decision-making processes tend to include who will be affected and how, which is also a part of politics. Management might play the political game with corporate in order to ensure that their particular franchise is looked upon in high regard.

Politics and power are intertwined. These entities tend to play against each other when it comes to any organization. The more power an individual may have may determine how much that individual may have to play the organization's political game.

At the same time, the amount of politics being played may determine how much power an individual may obtain within that organization.

Individuals that are a part of these organizations must learn the rules of these games in order to function effectively. These individuals are the administrative staff, the production workers, the salespeople, and the maintenance and/or custodial workers. No, these individuals may not be mainstream players; however, they do have to play the game at some level. Power and politics may be played against the other but individuals may find that it is beneficial to learn to play the game with power and politics both on their side.

4.2 CONFLICT

Conflict is feeling of disagreement among parties. It occurs when groups in the organization disagree over significant issues. A conflict has both positive and negative characteristics.

In particular, conflicts frequently occur when a person or a group believes that, its attempts to achieve its goals are being blocked by another person or group. It may also result from anticipating trouble.

Conflict is often considered as harmful. Besides, it is advantageous in some situations. Some organizations, mainly profit centered ones, believe that conflict is dysfunctional. Many of the nonprofit organizations consider conflict as beneficial and conducive to higher quality decision-making. They believe that non-presence of conflict can lead to laziness.

4.2.1 Meaning of Conflict

Employees in organizations have different opinions and attitudes, considering their varying backgrounds. Therefore, there is a possibility that conflicts may arise during interactions between them. Although a conflict might foster a competitive environment to a certain extent, prolonged conflicts could prove detrimental to the organization. Hence, there is a need for these conflicts to be resolved at the earliest. An ideal way of settling conflicts is through the negotiation process. A study of the inter-group behavior of people in organizations is also essential for understanding and resolving organizational conflicts.

4.2.2 Definition of Conflict

According to Follett, “Conflict is the appearance of difference, difference of opinions, of interests.”

Organizational conflict occurs when a stakeholder group pursues its interests at the expense of other stakeholders. Given the different goals of stakeholders, organizational conflict is inevitable. Conflict is associated with negative images, such as unions getting angry and violent, but some conflict can improve effectiveness. When conflict passes a certain point, it hurts an organization.

4.2.3 Reasons for Conflict

1. Difference in Goals

One of the reason for a conflict to occur is difference in the goals of two individuals, both of them may be in conflict due to such difference. For example. One persons goal is to maximize the sales of a product whereas the other person may have different goal of improving the quality of the product. This leads to conflict among them.

2. Situational Conflict

There may be many sources of conflict, some of the sources or reasons depends on the thinking or mind set of individuals involved in a conflict, it can be conflict avoidance mode or conflict escalation mode, in this mode the difference in opinion of people in the situation can cause a conflict.

3. Interest of Members

Some individual indulge in a conflict for the purpose of gaining short term benefits which may serve only for a shorter period and disappears in long run. Such individual have a very narrow thinking of concentrating only on acquiring of benefit which may cause conflict to the other who is against interest of the other.

4. Limited Resources

In inter or intra groups conflict arise because the resources are limited in number and the want for such resources may be high which may also leads to a conflict between the members of the same group.

5. Power of Position

When the person at a higher level say 'A' manager or chairperson who hold power in their position does not like to share their power with other because they may be insecure. Which lead to lack of trust among the other members which ultimately leads to conflict.

6. Stereotype Conflict

In this type of conflict members of the same group may differ in the attitude or behaviour but are assumed to have the same perception of the other member in the same group. Where some other member cannot accept such ideologies of stereotypes which causes a conflict between the group members.

7. Norms and Standards

When a group following some norms, rules regulations or standard in achieving and fulfilling their objectives which will need uniformity in group which may not be possible in a group due to difference in accepting of norms and very high standards.

8. Authority and Dependency

Some people are good at performing the task assigned to them by the other authoritarian person who can be a superior or senior manager, whereas some person like to have the high position which demand power. People at the higher position often make others dependent on them which can also lead to conflict.

4.2.4 Measures to Manage Conflicts Effectively

In conflict management, the study of the conflict style is also important, as it helps to arrive at a solution. Some measures to manage conflicts are,

- 1. Goals and Objectives Should be Clear.** Conflicts can be managed effectively, only if the goals, objectives, performance standards along with the roles are clearly defined.
- 2.** Creating super ordinate goals are shared goals, involving everyone. So, there can be cooperation between the conflicting parties.
- 3. Solving Problem through Open Discussion** Conflicting parties should meet directly to identify the problem and discuss various solutions for solving it.

Expansion of Resources

If there is scarcity of resources in one department, managers can become flexible and transfer resources from another department so as to create a win-win situation.

- 4.** HRM policies and procedures to be followed in order to avoid and reduce conflicts that leads to attrition.

5. **Non-monetary Awards.** Are increased empowerment, interesting work, job design and so, on. This avoids conflicts but gives job satisfaction.
6. Avoiding Conflict by withdrawal from the source of conflict.
7. **Development of Skills.** Through development of interpersonal or group process skills a persons can understand his own personal behaviour and other persons also through communication.
8. **Group Activities.** Attention should be paid to the composition of a group to reduce dysfunctional conflict. The teams should be carefully selected.
9. **Authoritative Command.** Management by exercising its power can end the conflict amicably.
10. **Organizational Processes.** Through change of the formal organization structure and interaction pattern, conflicts can be reduced. This could be through transfers, job redesign, changing bureaucratic procedures and so on.
11. **Socio-technical Approach.** Psychological and social factors should be in conjugation with the structural and technical needs. This helps in reducing organizational dysfunctional conflict.

4.2.5 Transition in Conflict Thought

1. The Traditional View Conflict

Under traditional view conflict is a process in which people disagree over significant issues, creating friction between parties. One view of conflict is that it is dysfunctional and harmful to organizations, because the struggle over incompatible goals is a waste of time that prevents people and organizations from being productive and reaching their potential.

2. Interactionist View of Conflict

On the other hand, interactionist view states that when conflict is based on issues rather than personalities, it can enhance problem solving and creativity. Open discussions of differing viewpoints allows for a thorough consideration of alternatives and their consequences in the course of decision making. Conflict can also increase motivation and energize people to focus on a task.

3. Human Relation View Conflict

Human relation view states that Conflict is a natural occurrence and we should accept conflict.

4.2.6 Functional and Dysfunctional Conflict

Functional conflicts are constructive, support the company's goals, and improve performance. It generally involves people who are genuinely interested in solving a problem and are willing to listen to one another.

Stimulating functional conflict is a great way to improve the team's performance and generate new ideas. It involves getting the team to either defend or criticise ideas based on relevant facts rather than on the basis of personal preference or political interests.

There are two widely accepted techniques for doing this: devil's advocacy and the dialectic method.

1. Devil's Advocacy

This method involves assigning a team member the role of a critic. This person should always question and critique any ideas that your team may have, usually resulting in critical thinking and reality testing. However, it is recommended that this role gets rotated amongst your team to avoid any particular person from developing a strictly negative reputation.

2. Dialectic Method

This approach involves facilitating a structured debate of opposing views prior to making a decision. By hearing the pros and cons of all the different ideas, the team will have greater success in making sound decisions. However, it should be noted that a major drawback of this method is that the emphasis to win a debate often clouds the issue at hand.

The conflict which supports the goals of a group and also improves its performance is known as a functional or a positive conflict. The functional conflict is helpful in the achievement of the goals of a group as it aids in –

- i) **Analytical thinking:** During a conflict the members of a group display analytical thinking in identifying various alternatives. In absence of conflict, they might not have been creative or even might have been lethargic. The conflicts may include challenge to such views, rules, policies, purpose and plans which entail a significant analysis so as to justify these groups as they are or make other alterations that may be necessary.
- ii) **Diffusing tension among the members of the group:** When conflict is allowed to express openly it can help in reducing the tension among the members

of the group which would otherwise remain suppressed. Suppression of tension can lead to imaginative distortion of truth, sense of frustration and tension, high mental exaggerations and biased opinions resulting in fear and distrust. When members express themselves, they get some psychological satisfaction. This also leads to reduction of stress among the involved members.

- iii) **Promote Competition:** Conflicts results in increase competition and this increased competition in turn results in more efforts. Some persons are highly motivated by conflict and service competition. Such conflict and competition can result in increased effort and output.
- iv) **Promote group cohesiveness:** Some experts believe that conflict creates solidarity among the members of the group it also increases loyalty in the members of the group and inculcates a feeling of group identity as the members of a group compete with outsiders. This increased group cohesiveness can help the management in achieving the organizational goals effectively.
- v) **Facing challenges:** The abilities of individuals as well as groups can be tested during conflict. Conflict creates challenges for them and to face these challenges individual and group to need to be creative and dynamic. When they are able overcome these challenges successfully it leads to a search for the alternatives to the present methods which results in organizational development.
- vi) **Organizational change:** It has been seen that some times conflict stimulates change among the members of a group. Whenever people are faced with conflict, there is a change in their attitudes and they become ready for the change to meet the requirements of the situation
- vii) **Increased awareness:** Conflict creates an increased awareness about the problems faced by the group. The group members also become aware of the members involved in the problem and the methods adopted to solve the problem.
- viii) **Quality of decision:** Conflict result s in high quality decisions taken by the members of a group. During the conflict, the members express the opposing views and perspective which results in some high quality decisions. The members share the information and examine the reasoning of other members to develop new decisions.
- ix) **Identification of weakness:** The weaknesses of a group and its members can be identified easily during the conflict. It becomes easier for the management to remove these weaknesses once it becomes aware.

4.2.7 Dysfunctional Conflicts

Dysfunctional conflicts on the other hand, consist of disputes and disagreements that hinder your company's performance. This generally involves people who are unwilling to work together to solve a problem and is often personal.

When dysfunctional conflicts arise in the workplace, there are various methods for dealing with it, including:

1. Integrating

This method is also known as problem solving and generally involves encouraging opposing parties to confront an issue and cooperatively identify the problem, generate alternative solutions and select the most appropriate solution. Misunderstandings and similar disputes can often be resolved using this method.

2. Obliging

This occurs when a person neglects their own concern in order to satisfy the concern of the opposing party. A characteristic of this conflict management style includes playing down differences while emphasising on commonalities.

3. Dominating

Also referred to as forcing, people that adopt this approach often have an "I win, you lose" mentality. Dominating relies on formal authority to force compliance and is generally appropriate when unpopular but necessary solutions are implemented.

4. Avoiding

This involves either passive withdrawal from the problem or active suppression of the issue. It is generally appropriate for trivial issues or when the negative effects of confrontation outweigh the benefits of resolving the conflict.

5. Compromising

This is a give-and-take approach for resolving dysfunctional conflicts and is particularly useful when the parties involved possess equal power.

The following are some examples of situations that can produce either functional or dysfunctional conflict :

- ♦ Incompatible personalities
- ♦ Overlapping or unclear job boundaries

- ♦ Competition for limited resources
- ♦ Inadequate communication
- ♦ Interdependent tasks
- ♦ Unreasonable rules
- ♦ Unreasonable deadlines or extreme time pressure
- ♦ Collective decision making (the greater the number of people participating in a decision, the greater the potential for conflict)
- ♦ Decision making by consensus
- ♦ Unresolved or suppressed conflicts

As a leader or manager, you should be continually aware of staff interactions within the workplace. As such, you should carefully observe and react appropriately to these early warning signs as they have the potential to lead to major conflict, reduce morale, motivation and cause business inefficiency.

The conflict which obstructs the achievement of the goals of a group is called a dysfunctional or destructive conflict. The characteristics of a dysfunction conflict are:

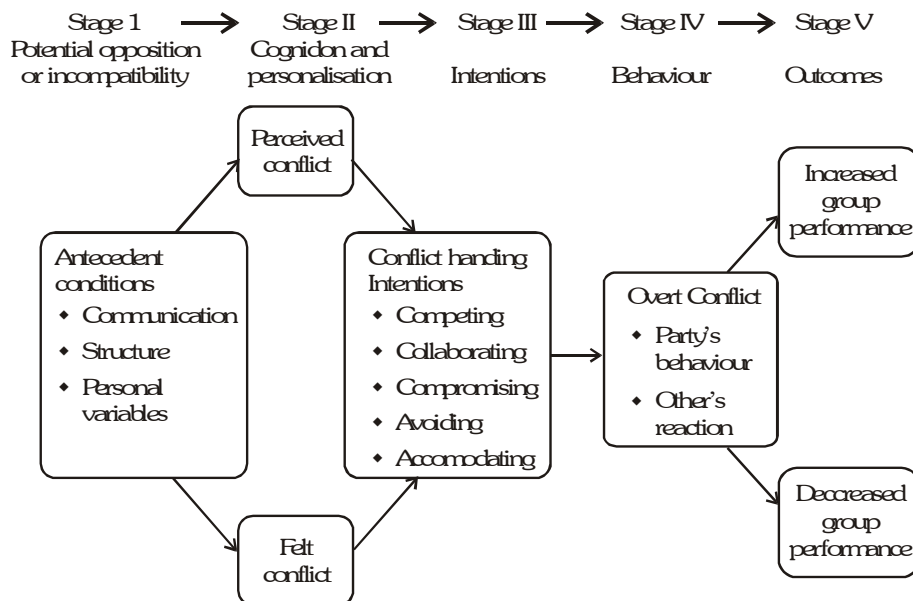
- i) **Increased tension:** a dysfunctional conflict can cause high level of tension among the members of a group and in some cases it becomes difficult for the management to resolve such a conflict. This increased tension may result in anxiety uncertainty, hostility and frustration among the members of a group.
- ii) **High rate of employee turn over:** Dysfunctional conflicts can cause some employees to leave the organization if they are not able to resolve the conflict in their favor. In such a case it is the organization that has to suffer to loss of its valuable employees.
- iii) **Increased dissatisfaction:** Dissatisfaction can be increased among the members of the party that looses in conflict. This struggle during conflict also results in decreased concentration on the job and in this way it can also adversely affect the productivity of the whole group.
- iv) **Distrust:** Conflict can result in a climate of distrust among the members of a group and also in the organization. It can decrease the level of cohesiveness among the group members who will have negative feelings towards other members of the group and avoid interaction with them.

- v) **Distraction from organizational goals :** Conflicts can distract the members of a group from the organizational goals they are supposed to achieved but during a conflict the members may waste their time and energy in making efforts for emerging as winners in the on-going conflict in the group and their attention from the organizational goals may be diverted. Personal victory becomes more important for the members involved in the conflict and the organizational goals take a back seat.

4.2.8 Process of Conflict

Organizational conflict arises when the goals, interests or values of different individuals or groups are incompatible and those individuals or groups block or request one another's attempts to achieve their objective. It can identify the stages that a conflict born and grows in an organization. In this post we will look at the stages of a Conflict covering the birth, rise and ending of it.

The conflict process can be seen as comprising five stages. These stages are described below.



Stage 1: Potential Opposition or Incompatibility

The first step in the conflict process is the presence on conditions that create opportunities for conflict to develop. These cause or create opportunities for organizational conflict to rise.

- 1. Communication:** Communication barriers such as semantic difficulties, noise, and disturbances in the communication channel, failure on behalf of the sender to convey the message properly, etc. might obstruct effective communication. This in turn might lead to a conflict among individuals.
- 2. Structure:** The following are some of the variables that constitute the structure of organizations:
 - size of work groups
 - degree of specialization of employees
 - role clarity of individuals and departments
 - leadership style
 - diversity of goals and reward system.

The structural variables are also a major source of conflict in organizations. For instance, ambiguity in the roles and responsibilities of individuals in a work group might lead to conflicts.

- 3. Personal Variables:** Every individual has different personality traits, value systems, etc. If these differences come to the fore during an interaction between the employees, then it might lead to a conflict.

State 2 : Cognition and Personalization

This stage occurs only when the individual (or a group) perceives a negative impact of the conditions discussed in the previous stage. During this stage, the affected individual or group develops a sense of opposition toward the other party. The affected individual might not necessarily 'personalize' the perceived conflict. However, if the perceived conflict is prolonged then the individual might reach the 'felt' level where personalization may begin. At this point, both the parties concerned experience anxiety, tension, and frustration and might develop hostility toward each other. Clearly defining the issue over which there is a conflict and examining the role of emotions might help in determining the root cause and also the outcome of the conflict.

Stage 3 : Intentions

In the third stage of the conflict process, the individuals try to choose an action which will help them to settle or deal with the conflict. Toward this end, they attempt to understand the intentions of the other party. However, they should not do this based on the behavior of the others because there is often a mismatch between the behavior and real intentions of people.

Five types of conflict handling situations have been identified.

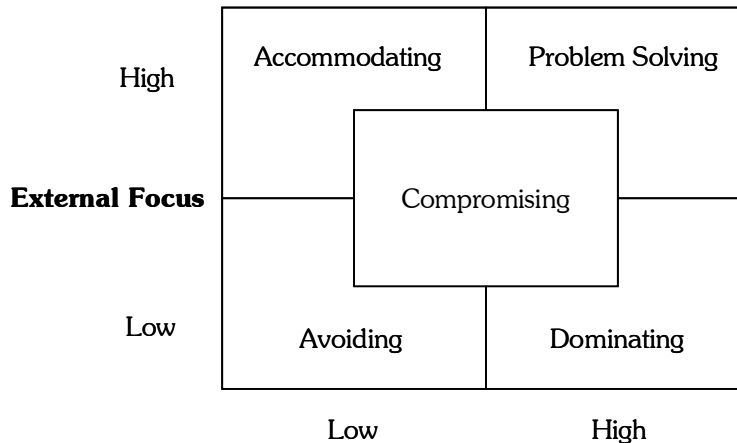


Figure : Dimensions of Conflict-Handling Intentions

1. **Dominating** : This occurs when each party tries to satisfy its own need at the expense of the other party.
2. **Avoiding** : This occurs when one party recognizes the conflict situation and tries to avoid the other party in order to avoid the conflict.
3. **Accommodating** : This occurs when one party tries to satisfy the interests of the other party by sacrificing its own interests.
4. **Problem-Solving** : This type of intention creates a win-win situation for both the parties. In this type, both the parties involved in the conflict are willing to co-operate with each other to resolve the conflict. However, both the parties are unwilling to let go of their personal interests.
5. **Compromising** : This occurs when both the parties involved in the conflict are willing to compromise and let go of some of their interests. Often, this leads to dissatisfaction among the individuals in both the parties.

Stage 4 : Behaviour

The existence of a conflict may not be visible to outsiders during the initial stages. However, as the conflict prolongs, the parties involved might make their conflicts explicit in the form of verbal statements, actions, and reactions. Outsiders get to know about the conflict as a result of the behavior of the parties involved.

Conflict behaviour can range from disagreements between the parties and subtle remarks to abusive physical attacks.

Stage 5 : Outcomes

This is the last stage of the conflict process. The interaction among the conflicting parties results in certain consequences which are known as 'outcomes.' Outcomes may have a positive or negative effect on organizations. They may be functional or dysfunctional.

1. Functional outcomes : Functional outcomes are the result of constructive conflicts among individuals. They have a positive influence on organizations. The following are some of the advantages of functional outcomes:

- They help in preventing the group from accepting decisions which are based on inaccurate assumptions, inadequate consideration of attributes, and flawed decisions.
- They encourage group members to put forward creative and innovative ideas, which in turn might improve the quality of decisions to be taken by the management.
- Constructive conflicts, which arise due to differences in cultural background, might lead to diverse solutions that suit the needs of the diverse workforce.

2. Dysfunctional outcomes : Dysfunctional outcomes are the result of destructive conflicts among the individuals of the organization. They have a negative impact on the performance of the organization. Some of the disadvantages of dysfunctional conflicts are :

- They weaken relationship between the members of the organization.
- They hinder the effectiveness of the communication channel between individuals.

It has been observed that constructive conflicts encourage members of organizations to perform better. Therefore, managers should encourage constructive conflicts.

4.2.9 Managing Conflict

Conflict is inevitable in any interpersonal relationship and can be a very positive experience, if managed properly. Why do we shy away from dealing with conflict? Many of us were raised to believe that conflict is something to be avoided, and is an experience of failure. However, conflict doesn't have to lead to failure, defeat, separation or termination of individual relationships. We all come to see the world in different ways, and we have different ideas about what's best for us and what's best for our group. It is actually a signal that change is needed and possible.

The ability to manage conflict is probably one of the most important social skills an individual can possess. This information is designed to help you acquire this skill. Specifically, it will offer information about :

- ♦ The different ways in which people deal with conflict.
- ♦ Increasing awareness of your own style of conflict management.
- ♦ A constructive method of conflict management which will not only lead to greater satisfaction of both parties involved, but also promote growth and development of your group.

In conflict management, the study of the conflict style is also important, as it helps to arrive at a solution. Some measures to manage conflicts are,

- 1. Goals and Objectives Should be Clear.** Conflicts can be managed effectively, only if the goals, objectives, performance standards along with the roles are clearly defined.
 - 2.** Creating super ordinate goals are shared goals, involving everyone. So, there can be cooperation between the conflicting parties.
 - 3. Solving Problem through Open Discussion.** Conflicting parties should meet directly to identify the problem and discuss various solutions for solving it.
- Expansion of Resources

If there is scarcity of resources in one department, managers can become flexible and transfer resources from another department so as to create a win-win situation.

- 4.** HRM policies and procedures to be followed in order to avoid and reduce conflicts that leads to attrition.
- 5. Non-monetary Awards.** Are increased empowerment, interesting work, job design and so, on. This avoids conflicts but gives job satisfaction.
- 6.** Avoiding Conflict by withdrawal from the source of conflict.
- 7. Development of Skills.** Through development of interpersonal or group process skills a persons can understand his own personal behaviour and other persons also through communication.
- 8. Group Activities.** Attention should be paid to the composition of a group to reduce dysfunctional conflict. The teams should be carefully selected.

- 9. Authoritative Command.** Management by exercising its power can end the conflict amicably.
- 10. Organizational Processes.** Through change of the formal organization structure and interaction pattern, conflicts can be reduced. This could be through transfers, job redesign, changing bureaucratic procedures and so on.
- 11. Socio-technical Approach.** Psychological and social factors should be in conjugation with the structural and technical needs. This helps in reducing organizational dysfunctional conflict.

4.3 COMMUNICATION

Communication is a pivotal element in any organizational setting. It serves as a common thread for management processes. As the nervous system to a body, communication is an integrating system of an organization. Adding to this, one of the writer described communication as the lifeblood to an organization. This identifies that no organization can think of its existence without effective communication.

Communication also forms a base for the success or failure of a manager. His degree to communicate effectively, makes him a successful manager. In this connection Bernard says, "The first executive function is to develop and maintain a system of communication". Thus, it can be understood that communication is the life- giving element to an organization and has to be dealt with utmost care.

Communication is the bridge of meaning between individuals. It refers to the process of transfer of information from one person to the other. In other words, it is a process by which people share the information or message with an intension to create an understanding in the mind of others.

Communication has been defined in many ways. Following are the noteworthy definitions. In general parlance,

4.3.1 Definition of Communication

- i) "Communication is the process of passing information and understanding from one person to another".

- Keith Davis

- ii) "Communication is the transfer of information from one person to another person. It is a way of reaching others by transmitting ideas, facts, thoughts, feelings and values".

- Newstrom and Davis

In organizational context,

- i) “Communication is an intercourse by words, letters, symbols or messages and is a way that one organization member shares meanings and understandings with another”.

- Koontz and O’ Donnell

From the definitions, following features of communication can be drawn.

- ♦ Communication involves transfer of information and understanding of meaning.
- ♦ It is a two-way process involving a minimum of two individuals.
- ♦ Communication is a continuous activity, wherein an individual goes on communicating for developing social relations.
- ♦ Communication is a process involving sequentially carried out steps.
- ♦ Communication is omnipresent as it is very vital in human life.

4.3.2 Significance of Communication

Importance / Significance of Communication

Communication is the important element of an organization. Its importance is felt due to following reasons.

- i) Communication forms the basis for action. It is essential for each and every individual activity.
- ii) It helps a manager to plan the activities.
- iii) It guides in managerial performance and facilitates a manager in getting the work done.
- iv) It is the source of management processes-planning, organizing, leading, staffing, directing, controlling etc.
- v) It becomes the foundation for cohesiveness among group members and is the source of coordination
- vi) It is helpful to a manager in organizational decision-making.
- vii) Communication only provides the information necessary for goal achievement.
- viii) It fructifies the relationship among employees and management.

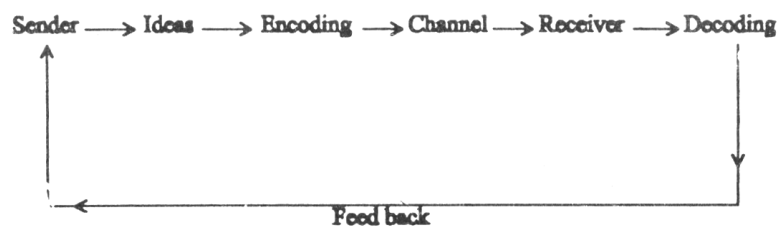
- ix) With effective communication in the right time, a manager can get the work done.
- x) Communication, above all, is vital for implementing the organizational policies and programmes.

4.3.3 Process of Communication

1. It is the process through-which two or more persons come to exchange ideas and understanding among themselves.
2. Communication is the process of passing information and understanding from one person to another - Keith Davis.
3. Communication is an intercourse by words, letters, messages and is a way that the one organization member shares meaning and understanding with another.
4. Communication is a process which involves the transmission and accurate replication of ideas ensured by a feedback for the purposes of eliciting actions which will accomplish organizational goods - William Scott.
5. Communication may be broadly defined as the process of meaningful interaction among human beings. More specifically, it is the process by which meanings are perceived and understanding are reached among human beings - D.K.Farland.

A. (Transactional Proceeds Model)

Communication process involves various elements as



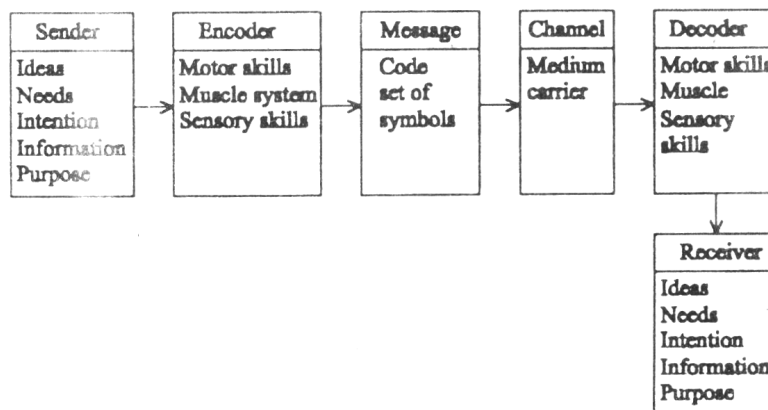
Figure

1. Sender is the person who intends to make contact with the objective of passing information, ideas to other persons.
2. Ideas - It refers to the subject matter of communication which can be attitude, feelings, suggestions, opinion, orders etc.
3. Encoding :- Encoding refers to the conversion of the subject matter into words, actions, pictures, as the subject matter of communication is abstract and intangible.

4. Channel:- Symbols are transmitted through channels as radio, telephone, air, etc. depending upon the situation of the two parties viz., sender and receiver.
5. Receiver:- Receiver is the person to whom message is meant for
6. Decoding:- Receiver converts the symbols received from the sender to give him the meaning of the message.
7. Feedback:- Feedback ensures that the receiver has received the message and the sender has understood the message in the same sense.

B. Berlo Model / Dynamic process model :

Berlo Model presents communication as a dynamic, interactive process. In communication process, events and relationships are dynamic, on-going, ever-changing and continuous. A process does not have a beginning, and end or a fixed sequence of events. It is neither static nor at rest. The ingredients in the process always interact.



Figure

He has treated communication process as an on-going one which involves feed back also.

4.3.4 Formal and Informal Communication

Organisational communication is the flow of information through the networks of interrelated human roles. As human beings are interrelated both formally and informally, communication takes place to maintain these relationships.

I) Formal Communication

Formal channel is an officially prescribed path for flow of communication between the various positions in the organisation. It is a deliberate attempt to regulate the flow

of organisational communication so as to make it orderly and thereby to ensure that information flows smoothly, accurately and timely to the points to which it is required; It also filters the information to various points to ensure that information does not flow unnecessarily there by causing the problem of overload.

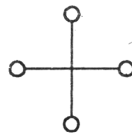
- 1) Single Chain 2) Wheel 3) Circular
- 4) Free Flow 5) Inverted

- 1. Single Chain :** This network exists between a superior and his subordinate. Communication flows downward or upward through each successive level. Communication flow through the chain may be orderly and easy to control but it is very time consuming. This type of communication exists in bureaucratic organisation.



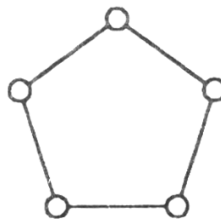
Figure

- 2. Wheel :** In this type of network all subordinates under one superior communicate through him only as he is the hub of the wheel. There is no horizontal communication as they are not allowed to communicate among themselves.



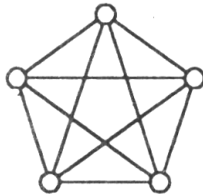
Figure

- 3. Circular :** Here the communication moves in a circle. Each person can communicate with his adjoining two persons. But communication here is slow.



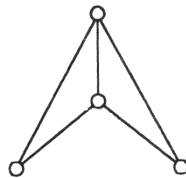
Figure

4. **Free flow:** Here each person can communicate freely with others. Here, communication flow is fast but problem of coordination exists. Free form organisation or in task force this type of communication exists.



Figure

5. **Inverted :** Here an individual is allowed to communicate with his immediate superior as well as with subordinates. In this network, communications travels faster.



Figure

Advantages of Formal Communication

1. Organisation can fix the responsibilities easily.
2. The information is available to the right person
3. The authority and respect of senior organisational member / staff members are protected. No one is allowed to bypass anybody while communicating the information.
4. This form of communication helps the boss and the subordinates to understand each others attitude and behaviour well.
5. Discipline and good morale are maintained among the employees.

Disadvantages :

1. This increases the work load of the line officers As the line officer has to take action on all the downward and upward communications passed through him. when he has very little time to perform his executive functions effectively.
2. This entails delay in communication as it has to be passed through number of persons to arrive at the right person.

3. Possibility of filtering of information exists.
4. Intention and attitude of the top executive are not known to the lower level workers and vice-versa as there is no close contact between them, hence, there is an absence of cordial relationship between them.

II) Informal Communication

Any information which is not passed in accordance with any formalities and rules and regulations of an organisation is informal communication.

Most executives use the informal communication as supplement to formal communication. Most of the informal communication is oral. Informal communication emerges out of social interactions among the people.

They depend on individual's relationship. Hence message travels fast and is quite flexible.

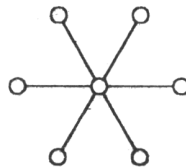
Grapevine Network

The informal channel of communication is also known as "grape vine". This is the primary source of upward communication. Hence there is no clear cut way for transmitting the information. Usually, there are four types of pattern through which grapevine travels. They are:

1. Single Strand
2. Gossip
3. Probability and
4. Cluster

1) **Single Strand** : The individual communicates with other individuals through interviewing persons.

2) **Gossip** : The individuals communicate non-selectively.



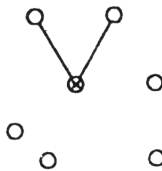
Figure

3) **Probability** : The individual communicates randomly with other individuals according to the law of probability.



Figure

- 4) **Cluster** : The individual communicates with only those individuals whom he trusts.



Figure

Advantages of Informal Communications

1. The information is passed very quickly.
2. There is no channel of command. It promotes sound co-operation among the employees.
3. It performs a positive service to the organisation.
4. It also satisfies the communication needs of the various persons in the organisation.
5. It helps greatly when the existing formal communication is inadequate or insufficient.
6. It is more convenient and such subject matter as unfavourable work performance, problems relating to work etc. of upward communication do not require formal channel.

Disadvantages of informal communication

1. It is not in order.
2. Sometimes messages are inaccurate and erratic.
3. Origin and direction of the flow of information is hard to find.
4. Persons carrying messages may add, subtract or misinterpret the original message.

III) Downward Communication

A communication which starts from top level executive and ends with the lower functionaries through middle management is known as downward communication. It stands out as a great force for controlling, influencing and initiating activities of organisational members.

The Objectives of this communication are

1. To provide orders and instructions about job
2. To give information regarding the rules and regulations and organisational procedures.
3. To provide feedback of subordinates performance
4. To provide the information which facilitates the achievement of goals.

Advantages.

1. This helps in explaining organisational rules and regulations to new staff members.
2. It helps to motivate and extract maximum work from the subordinates.
3. It helps to exercise control over subordinates

Disadvantages

1. The information passed is interpreted and reinterpreted at every levels of management
2. Distorted information might be passed.

IV) Upward Communication

Upward Communication is flow of information from a subordinate position. The information should be passed through middle level executive.

Information about

1. Problems relating to work
2. Subordinates work performance
3. Performance appraisal of their subordinates
4. Feedback of understanding of orders, instructions etc.
5. Clarification of orders

6. Opinion, attitude, feelings, etc.
7. Procedures, methods, practices followed in doing the work.,
8. New ideas and suggestions
9. Personal and family problems.

Advantages

1. Upward communication helps the management to take decisions promptly.
2. The grievances of the subordinates may be redressed at an early date.

Disadvantages

1. It is more susceptible to various obstruction and bottlenecks.
2. Upward communication is devoid of any support of managerial hierarchy.,
3. Superiors may ignore the information given by the subordinates.
4. Top executives may be unwilling to listen to the grievances and redressing them.

V) Horizontal Communication

Horizontal information refers to the passing of information between people of the same hierarchical level. Horizontal communication is impeded in the organisation that overstresses functional departmentalisation, Communication among peers, in addition to providing task coordination, also furnishes emotional and social support to the individual. The very purpose of horizontal communication is to co-ordinate the activities of various departments or persons.

Advantages

1. It helps the management to coordinate the activities of different departments.
2. It avoids duplication of work. It leads to reducing the wastage of time, money, material and labour.

Disadvantages :

1. The receiver may not give due importance to the message.
2. The sender does not have any control over the receiver of information.
3. Differences of opinions among the executives may arise, which may have an impact on productivity and efficiency of the organisation.

VII) Diagonal Communication

It occurs between two or more persons who are neither in the same section nor on the same level of organisational structure. It comes into operation when other systems of communication fail to convey the information. This communication system violates the principle of unity of command.

VIII) Oral Communication :

Words are the main communication symbol used on and off the job. Employees spend more than 50% of their time in some form of word communication.

Oral communication is used to exchange the ideas through oral words either in face to face communication through any mechanical or electrical device such as telephone etc. Oral communication is generally adopted in case of emergency.

Forms of Oral or Verbal Communication

1. Face to face orders, instructions, responses, information and observations.
2. Talks on Telephone
3. Lectures
4. Conferences
5. Interviews
6. Meetings
7. Callings
8. Whistling
9. Radio
10. Television and news magazine through cinema. These are some of the forms of oral communication

Advantages

1. It is very economical. It saves time, labour and stationery
2. It eliminates intermediaries.
3. The receiver in addition to listening of the words also observes the reactions of the sender
4. The physical movements of the sender ensures effective communication.

5. Doubts can be cleared then and there.
6. Oral communication enhances the personal touch.
7. It provides for greater flexibility.
8. It speeds up the information.

Disadvantages :

1. Permanent record of communication is absent
2. It is time consuming specially in meetings and conferences when after various deliberations, nothing concrete comes out.
3. It may not be taken seriously by the receiver.
4. There is a possibility of spoken words not clearly being heard or understood.

IX) Written Communication

Written communication is followed to transmit any information. It is essential not only to a small organisation, but also in large organisations . It is followed whenever the information is passed to far off place. It is binding to both the supervisors and the subordinates.

Forms of written communication

1. Graphs
2. Written words
3. Diagrams
4. Pictures.
5. Notes
6. Circulars
7. Manuals
8. Bulleton
9. Reports

Advantages

1. It has the capacity of being stored for future reference
2. Efforts can be minimised by simultaneous communication to various points such as through circulars.

3. It enables to communicate to far way distances from the sender to the receiver.
4. It is more orderly and binding on subordinates and superiors to take suitable actions in the organisation.
5. It avoids or reduces disputes among the employees
6. It helps the receiver to analyse the matter after receiving the information
7. It reaches a large number of people.

Disadvantages

1. It is time consuming both in terms of preparing the message and in terms of understanding the message.
2. It is not flexible and results in red tapism
3. These greater chance of communication being misunderstood.
4. It is costly in comparison to oral communication.
5. No secrecy is maintained.
6. It lacks personal touch and cannot be withdrawn easily.

X) Non - Verbal Communication

Non verbal communication can take the form of body movements, the intonations or emphasis which we give to words, facial expressions and the physical distance between the sender and the receiver of the message. It refers to the study of gestures, facial configurations and other movements of the body to communicate meanings.

XI) Pictorial Communication

This includes pictures, graphs, diagrams, charts etc., Organisation make extensive use of pictures, as blueprints, progress charts, maps, visual aids in training programs. Pictures provide powerful visual images. Pictures should be combined with well chosen words and actions to tell the complete message.

4.3.5 Barriers to communication

Obstructions or barriers impede flow of communication. Barriers are classified into :

1. Semantic Barriers
2. Emotional / psychological barriers

3. Organisational barriers

4. Personal barriers.

1) **Semantic Barriers**

They arise from limitations in the symbols with which we communicate. They are :

- a) **Symbols with different meanings** : Communication symbols usually have a variety of meanings and we have to choose one meaning from many. A particular word may give contradictory meaning in different parts of the country. Similarly non-verbal symbols may also convey different meanings to different persons.
- b) **Faulty translations** : Managers receive various type communications from superiors, peers, subordinates and he may translate information destined for subordinates, peers and superiors into language suitable to each. Hence the message has to be put into words appropriate to the framework in which the receiver operates. Approximate understanding of words and the consequent faulty translations lead to impaired efficiency and heavy costs,
- c) **Badly expressed message** : Poorly chosen and empty words and phrases, careless omission, bad organisation of ideas, awkward sentence structure, inadequate vocabulary jargon, lack of clarity and precision in message makes it badly expressed,
- d) **Unclearified Assumptions**: A message although appears to be specific, its underlying assumptions may not be clear to the receiver.
- e) **Specialists Language**: Technical personnel and special groups tend to develop a special, peculiar and technical language of their own. This builds a communication barrier, because of the receivers ignorance of that type of language.

2) **Emotional / Psychological Barriers**

Emotional barriers are just as effective as an actual physical wall often these human barriers are more like filter paper than a brick wall. They let throw some communication but hold back others, thereby making communication inadequate, some of them are as follows :

- i. **Premature evaluation** : It is the tendency of prematurely evaluating communication rather than to keep an uncompromised position during the interchange. It stops the transfer of information and begets in the sender a sense of futility.

- ii. **Inattention** : People fail to react to notice, reports due to the pre occupied mind of a receiver and the resultant inattention becoming a major chronic psychological barrier.
- iii. **Loss of transmission and poor retention:** Communication passes through various levels in the organisation, successive transmissions of the same message leads to decreasing accuracy. Poor retention of the information is again a malady.
- iv. **Distrust of communication** : Frequent countermanding or illogical decisions of the original communication by the communicator leads to distrust on communicator.
- v. **Failure to communicate** : Managers often fail to transmit the needed message either because of laziness or assuming that information is known or to embarrass deliberately,

3) Organisational Barriers :

- a) **Organisational policy** : Organisational Policy which acts as an overall guideline to every one in the organisation regarding his expected behaviour, should be supported by the flow of communication in different directions. If this is not done, then communication flow would not be smooth and adequate.
- b) **Organisational rules and regulations:** Organisational rules and regulations affect the flow of the communication by prescribing the subject matter to be communicated and also the channel through which these are to be communicated. The rules may restrict the flow of certain messages thus leaving many important ones.
- c) **Status relationships:** Greater the difference between hierarchical position in terms of their status, greater would be the possibility of communication breakdown.
- d) **Complexity in organisational structure** : Communication gets delayed when there are large number of managerial levels. The possibility of communication getting distorted and filtered is present to a great extent. This generally exists in upward communication.
- e) **Organisational facilities:** Organisational facilities as meetings, conferences, complaint box, suggestion box etc. provided for smooth, adequate, clear and timely flow of communication. If these are not properly emphasised, people fail to make effective communication.

4) Personal Barriers

I) Barriers in superiors

1. **Attitude of superiors** : The attitude of superiors towards communication in general or in any particular direction affect the flow of messages in different directions.
2. **Fear of challenge to authority** : Managers in general try to withhold the information coming down the line or going up as frequent passing of information may disclose their weakness.
3. **Insistance on proper channel**: Superiors insist on passing the communication through proper channel as they wish to remain in communication links and they do not like any type of bypassing in communication.
4. **Ignoring communication** : Many a times superiors consciously and deliberately ignore the communication from their subordinates to maintain their importance. This works against the willingness of subordinates to communicate.
5. **Lack of confidence in sub-ordinates** : Generally superiors perceive their subordinates to be less competent and capable, thus leading to not disclosing of many facts and information to them.
6. **Time constraint** : Due to time constraint, superior may have little to talk to their sub-ordinates.
7. **Lack of awareness** : Communication particularly in downward directions becomes difficult when the mangers do not give due importance to understand employees need for communication.

II) Barriers in subordinates :

1. **Unwillingness to Communicate** : Communication would be restricted and modified to a great extent when it is going in upward direction as the subordinates may feel that if the information is revealed they would be adversely affected.
2. **Lack of Proper Incentive** : Lack of motivation to communicate also refrains subordinates to communicate upward. The reward and punishment system of the organisation is more responsible for this.

4.3.6 Improving Communication Skills

Managers should ensure the adequacy and smooth flow of communication for the long life of an organisation, There should be a periodic measurement of effectiveness of communication. Effective communication might be the accurate transmission and receipt there of and its correct understanding.

The elements which evaluate the effectiveness of communication are :

1. Clarity
 2. Adequacy
 3. Timing
 4. Integrity
1. **Clarity:** Communication must ensure clarity of communication, thereby facilitating exchange of ideas and avoiding unnecessary seeking and tendering of clarifications. The basic objective of communication is achieved only when the message is understood by the receiver in the same form as the sender meant.
 2. **Adequacy:** Adequacy can be measured by two aspects :-
 - a. In terms of coverage i.e. the types of messages flowing in various directions
 - b. In terms of quantity of various types of messages. The process of communication must ensure that all those messages that are needed by various individuals in the organisation connection with the effective discharge of their official duties must flow up to them and further that this flow in respect of different types of messages must be adequate.
 3. **Timing :** The utility of any message to the receiver is affected by its timing. Thus the communication process should ensure that the message reaches the receiver in time when he requires it, A suitable time span should be allowed for the purpose considering urgency and time requirement for the collection of information.
 4. **Integrity:** The principle of integrity of communication suggests that the purpose of communication is to support understanding by the individuals in their achieving and maintaining the co-operation needed to meet the organisational needs and goals. Communication to be effective should be persuasive and convincing so that receiver acts accordingly.

Steps taken to make communication effective:

Management must take appropriate actions to make communication effective.

1. **Clarity in Idea :** The subject matter of communication may include opinions, attitudes, feelings, views, suggestions etc. therefore the communicator should be quite clear about what he wants to communicate.
2. **Purpose of communication:** Communication always has some purpose, being to get behavioural response from the receiver. The communication should be directed towards this objective by the efforts of communicator.
3. **Two way communication :** Communication always involves two persons or parties. It involves a continuous dialogue between sender and receiver of the message.
4. **Empathy in communication:** The way for effective communication is to be sensitive towards receivers needs, feelings and perceptions. When the sender of the message looks at the problems from receivers point of view, much of the misunderstanding stands avoided.
5. **Supporting words with action :** As action speaks louder than words, the sender may use the actions to emphase a point. This enhances the understanding as well as emphasising the important point in communication.
6. **Credibility in communication :** Subordinates usually obey the orders of the superiors when he has demonstrated through his competence that he is trust worthy. Any communication which is based on trust and credibility will be followed by the subordinates.
7. **Appropriate language:** The language used for communication should be understandable by the receiver. Simple and repetitive language is advised to be used for making communication effective.
8. **Good listening:** A communicator should also be a good listener. By concentrating on the speaker is explicit and implicit meanings, the manager can obtain a much better understanding of what is being said.

4.3.7 The Human Impact of Computer

Everyone knows that this is the age of computer and vast majority of people are using computer. Development of science and technology has direct effect on our daily life as well as in our social life. Computer technology has made communication possible from one part of the world to the other in seconds. They can see the transactions in one

part of the world while staying in the other part. Computer development is one of the greatest scientific achievements of the 20th century. Computers are used in various fields as well as in teaching and learning. Some of the major computer application fields are listed below.

1. **An aid to management:** The computer can also be used as a management tool to assist in solving business problems.
2. **Banking:** Branches are equipped with terminals giving them an online accounting facility and enabling them to information as such things as current balances, deposits, overdrafts and interest charges.
3. **Industrial Application:** In industry, production may be planned, coordinated and controlled with the aid of a computer.
4. **Engineering Design:** Computer help in calculating that all the parts of a proposed design are satisfactory and also assist in the designing.
5. **Meteorology:** Data is recorded at different levels of atmosphere at different places, using remote sensors carried on a satellite.
6. **Air Travel:** Small computers are installed as a part of the plane's equipment.
7. **Road Traffic Control:** Computers assist with the control of traffic lights.
8. **Telephones:** Computerized telephone exchanges handle an ever increasing volume of calls very efficiently.
9. **Medicine:** Computers are widely used in hospitals for such task as maintaining drugs, surgical equipments and linen, for payroll and also for checkup and treatment of diseases.

In addition computers are also used for recording and film studios, research, military, etc.

Computers have both positive and negative impact in our daily life as well as in our social life. But the gross development of the nation is faster with the application of computers in industries and education. The both positive and negative impacts of computers are listed below.

The rapid rise of electronic computing in the 20th century changed the course of modern civilization. Although many of the effects have been positive, PCs have also impacted lives in undesirable ways. As computer technology continues to advance and new generations of machines grow faster and have greater capabilities, the machines become more deeply fixed in daily life, magnifying both the benefits and the downside risks.

4.3.8 Positive and Negative Effects of Computers

1. Easy Information Access

Computers have revolutionized the everyday access of information, whether for business, scientific or personal use. In the space of 15 minutes, you can buy movie tickets, check the latest sports scores and research different brands of pickup trucks from your home computer. Smartphones, PCs and other computing devices have standard ways of handling data, allowing a rapid and free exchange of information. Computer software has become easy and intuitive to use, giving more people access to the information they want with less effort.

2. Automated Machinery

Computers now control many kinds of machines, vastly improving the convenience, safety and productivity of their use. For example, computers are crucial to the antilock brakes that are commonplace in vehicles. Motion sensors fitted to each wheel continually feed data to a dedicated computer. If you brake hard and a wheel stops rotating, the computer “pumps” the brakes rapidly, restoring proper motion to the wheel. The computer takes action in a few thousandths of a second, preventing the car from skidding out of control.

3. Fast, Accurate Data Processing

In many areas, computers have taken on small, repetitive tasks, freeing people’s time for more important endeavors. Before computers became fixtures in business, bookkeeping was handled by legions of clerks. Today, computers process millions of records in seconds, improving reliability and accuracy while reducing costs. Scientists enjoy the same advantage, giving computers the mathematical chores that were once done with pencil and paper. As a result, research penetrates into the secrets of nature with greater speed and accuracy than was previously possible.

4. Sedentary Lifestyle

Computers have made video games, Web surfing and other forms of leisure possible. Although these pursuits led to the development of whole new industries, they also seduced many people into excessively sedentary habits. Time spent at the computer requires little physical exertion. Because it is common for enthusiasts to play on their computers for hours at a time, long-term consequences can include obesity, poor eating habits, and social isolation.

5. Family and Leisure Interruptions

Laptop computers and other mobile devices allow many people to work from home or be on call 24 hours a day, making it harder to keep work and home life separate. Work-related duties can interfere with family time at a moment's notice. The deterioration of boundaries between personal and professional time can strain relationships and make it difficult to relax when you're never completely away from the office.

6. Loss of Privacy

The widespread use of personal computers and mobile devices has led to an personal data in electronic form, such as contact lists and Facebook posts. Before computers found a place in every home, much of this information was either disorganized or not connected. The Internet's ease of data gathering combined with deliberate efforts by businesses to exploit personal information has led to a widespread sharing of formerly private data.

4.3.9 Mediated Communication

Communication (from Latin *commûnicâre*, meaning "to share") is the purposeful activity of information exchange between two or more participants in order to convey or receive the intended meanings through a shared system of signs and semiotic rules. The basic steps of communication are the forming of communicative intent, message composition, message encoding, transmission of signal, reception of signal, message decoding and finally interpretation of the message by the recipient.

Communication in general takes place inside and between three main subject categories: human beings, living organisms in general and communication-enabled devices (for example sensor networks and control systems). Communication in the category of living organisms usually occurs through visual, auditory, or biochemical means. Human communication is unique for its extensive use of language.

Mediated communication or mediated interaction (less often, mediated discourse) refers to communication carried out by the use of information communication technology, and can be contrasted to face-to-face communication. While nowadays the technology we use is often related to computers, giving rise to the popular term computer-mediated communication, mediated technology need not be computerized: writing a letter using a pen and a piece of paper is also using mediated communication. Thus Davies defines mediated communication as the use of any technical medium for transmission across time and space.

Compared to face-to-face communication, mediated communication engages fewer senses, transmitting fewer symbolic cues (for example, most mediated communication does not transmit facial expressions) and is seen as more private. Parties usually require some technical expertise to operate the mediating technologies. New computerized media, such as mobile telephones or instant messaging, allow mediated communication to transmit more oral and nonverbal symbols than the older generation tools.

Because of those problems, “many theorists imply that face-to-face communication is the gold standard of communication”, Mediated communication has been, however, described as more preferable in some situations, particularly where time and geographical distance are an issue. For example, in maintaining long-distance friendship, face-to-face communication was only the fourth most common way of maintaining ties, after mediated communication tools of telephone, email and instant messaging.

Historically, mediated communication was much rarer than the face-to-face method. Even though humans possessed the technology to communicate in space and time for millennia, the majority of world’s population lacked skills such as literacy to use them. This begun to change in Europe with the invention of the printing press by Johannes Gutenberg that led to the spread of printed texts and rising literacy from the 15th century. Separately, the first print culture was Chinese in origin, with woodblock printing known from the 9th century, widespread adoption of paper-money, playing cards, and other printed goods far earlier than the West. Whatever the tradition, face-to-face interaction has begun to steadily lose ground to mediated communication.

The type of mediated technology used can also influence its meaning. This is most famously rendered in Marshall McLuhan’s maxim the medium is the message”.

Lundby (2009) distinguished between three forms of mediated communication: mediated interpersonal communication, interactive communication, and mass communication. Thompson (1995), however, treated mass communication not as a part of mediated communication, but on par with mediated and face-to-face communication, terming it “mediated quasi-interaction”.

UNIT V

Leadership and Change :

Leadership: Introduction – Leadership and Management– Leadership Styles.

Theories of Leadership: Traits – Behavioral Model (Managerial Grid) – Contingency (Feilder, Path goal, Tri-dimensional – Inspirational approaches.

Change: Challenges contributing to Change – Types of Change Approaches – Contemporary Issues in Change.

5.1 LEADERSHIP AND CHANGE

5.1.1 Introduction of Leadership

Meaning

Leadership is the factor that helps individuals and groups to achieve the goal. It is the process of influencing and supporting employees or others to work enthusiastically toward achieving the objectives.

5.1.2 Definition of Leadership

“Leadership is a process of influencing people to direct their efforts towards the attainment of some particular goal or goals.”

“Leadership is the ability to get other people to do what they don’t want to do and like it”.

– **Harry Truman**

“Leadership is the ability of a superior to influence the behavior of his subordinates and persuade them to follow a particular course of action.”

– **Chester Barnard**

“Leadership is the ability of a manager to induce subordinates to work with confidence and zeal.”

– **Koontz and O’Donnell**

“Leadership is the activity of influencing people to strive willingly for mutual objectives.”

– **George R. Terry**

5.1.3 Characteristics of Leadership

An analysis of the above definitions of leadership reveals that it has the following characteristics:

- i) Leadership is a process of influence.
- ii) Leadership is related to a situation.
- iii) Leadership is the function of stimulation.
- iv) Leadership gives an experience of helping attain the common objectives.
- v) Employees must be satisfied with the type of leadership provided.

Organizations are increasingly focusing on improving the knowledge and skills of employees because of the continuous advancement in the technology and changes in the business environment. Therefore, the researchers studying leadership also changed their emphasis from personality traits and behaviors to job related skills. A behavioral expert, Robert Katz, had identified that the leaders primarily use three skills - *technical*, *human* and *conceptual* skills.

Technical Skills

A person's knowledge and ability to make effective use of any process or technique constitutes his technical skills. The employees at operational and professional levels are required to have certain technical skills. The performance of an engineer, an accountant, a data entry operator or an assembly worker would greatly depend on his or her technical skills.

Human Skills

An individual's ability to cooperate with other members of the organization and work effectively in teams is referred to as human skills. Human 'skills also involve developing positive interpersonal relationships, solving people's problems and gaining acceptance of other employees. Effective human skills are an essential requirement at all levels of the organizational hierarchy and especially for people in leadership positions.

Conceptual skills refer to the ability of an individual to analyze complex situations and to rationally process and interpret available information. It also encompasses an ability to foresee the future consequences of his present-day actions from the organizational point of view. Further, managers have to define proper organizational structure and establish long-term plans and goals. Conceptual skills are of least importance to the employees at the operational level and are of utmost importance to managers at higher levels.

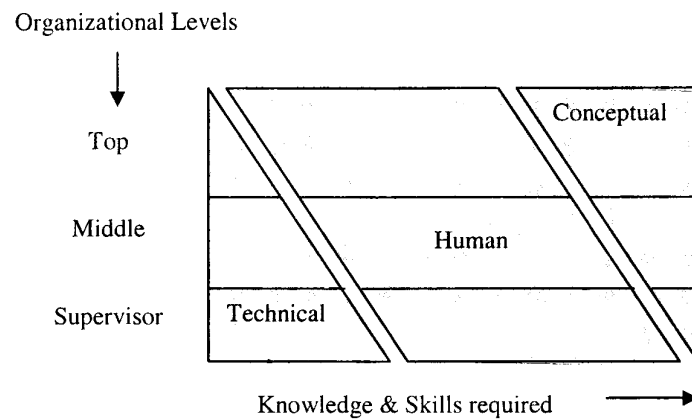


Figure.: Leadership Skills Required at Different Organizational Levels

5.1.4 Management

Management is the art of getting things done through and with the people in formally organized group. Management is the process of designing and maintaining an environment in which individuals, working together in groups, efficiently accomplish selected aims.

Management is that function of an enterprise which concerns itself with the direction and control of the various activities to attain the business objectives.

- William Spriegel

Management is the planning, organizing command, coordination and control of the technical, financial security and accounting activities.

- Louis A. Allen

Management is the process by which a cooperative group directs action towards a common goal.

- Joseph Messie

Management is a distinct process consisting of planning, organizing, activating and controlling performed to determine and accomplish the objectives by the use of human beings and other resources.

- George R. Terry

5.1.5 Features of Management

1. Organized Activities

Management is a process of organized activities, where a group of people are involved in working towards a common objective, management comes into existence. The organized activities may take a variety of forms ranging from a tightly structured organization to a very loosely structured organization.

2. Existence of Objective

An objective or set of objectives should exist towards which the organized group activities are directed. The existence of objectives is a basic criterion of every human organization because all organizations are deliberate and purposive creation and therefore, they should have same objectives. The objectives are agreed upon by the members of the group/organization. The realization of objectives is sought through the coordinated efforts of the people constituting an organization.

3. Relationship among Resources

Organized activities meant to achieve common goals are brought about to establish certain relationships among the available resources. Resources include money, machine, materials and men. The essence of management is integration of various organizational resources. Thus management is concerned with the proper utilisation of human resources which, in turn utilise other resources.

4. Working with and Through People

Management involves working with people and getting organizational objectives achieved through them. The idea of working through people is interpreted in terms of assigning activities to subordinates. Through the process of assignment and reassignment of activities, the actual work is performed by people at the operative level which is the lowest level in an organization.

5. Decision-making

Decision-making basically involves selecting the most appropriate alternative out of the several. The quality of alternatives which a manager selects determines the organizational performance, and the entire future of the organization rests on the degree to which the right decisions are made by managers. The success or failure of managers can be judged by the quality of decision that they make.

5.1.6 Nature of Management

The study and application of management techniques in managing the affairs of the organization have changed its nature over the period of time. Various contributions to the field of management have changed its nature from merely a practice to science.

1. Multi-disciplinary

Management drawn freely ideas and concepts from disciplines as psychology, sociology, anthropology, economics, ecology, statics, history etc. Management integrates the ideas and concepts taken from these discipline and presents newer concepts which can be put into practice for managing the organization.

2. Dynamic Nature of Principles

Principle being a fundamental truth which establishes cause and effect relationships of a function. The principles framed by the management are flexible in nature and change with the change in the environment in which an organization exists.

3. Relative, not Absolute Principles

Management principles being relative not absolute, should be applied according to the needs of the organization in the light of prevailing conditions. Thereby giving allowance for different changing environment.

4. Management : Science or Art

Management is both science and art. Management uses both scientific knowledge and art in managing an organization. Science is based on logical consistency, systematic explanation, critical evaluation and experimental analysis.

The process of management does involve the use of know how and skills like any other art such as music, painting, sculpture etc.

5. Management as Profession

Profession is an occupation for which specialized knowledge, skills and training are required and the use of these skills are not meant for self satisfaction but these are used for larger interests of the society and the success of these skills are measured not in terms of money alone.

6. Universality of Management is a Universal Phenomenon

Management is a universal phenomenon. However, management principles are not universally applicable but are to be modified according to the needs of the situation.

5.1.7 Objectives of Management

Objectives are described as the results to be achieved by an organization. Managerial objectives maybe defined as the goals which are predetermined, which have a defined scope and the methodologies that suggest direction to the efforts of managerial personnel.

In order to achieve the managerial objective the management should clearly define and effectively communicate these objectives to all the concerned people. The objectives should be formulated in such a way that they are attainable with the available resources as the objectives reflect or determine the ultimate goals of the organization.

Importance of managerial objectives are,

- i) They provide a basis for the performance.
- ii) They establish identity of the enterprise.
- iii) They provide direction to organized effort.
- iv) They help in uplifting the morale and motivate employees.
- v) They provide basis for decision-making.
- vi) They provide a basis for control.

The objectives of management can be classified as,

- 1. Economic objectives
- 2. Human objectives
- 3. Social objectives and
- 4. Organic objectives.

1. Economic Objectives

a) Profit Earning

Every business organization is established with a motto to sell or make goods and services to attain a substantial profit. So it is inevitable for an organization to face the uncertainties in a business cycle, change in demand pattern, fluctuation in money markets, changing outlook of customers. All these have to be managed so that the organization earns profit and in turn the organization should share its profits with the society.

b) Production of Goods

When an organization is established to earn profits, for doing so it has to produce goods by optimal utilization of resources like men, money, material and machinery which could lead to the increase in efficiency and getting higher productivity with minimum effort and the goods so produced are sold in the market. The customer satisfaction is the factor which decides the economic growth of the organization.

c) Creating Markets

All the goods produced have to be sold, for doing so the objective of an organization is to open up new markets, penetrate into existing markets, increasing the market share. The businessmen look for new consumers for increasing their sales and also to retain customers by supplying them better quality of goods at reasonable prices.

d) Technological Improvement

As the markets are highly competitive and the products are pushed into market to meet the needs of customer, to retain the place in market it is evident that the business men should always strive to upgrade the technologies used for production and change to the new market environment and should be in a position to produce and offer good quality goods with lower prices.

2. Human Objectives**a) Welfare of Employees**

Though the basic objective of earning profit could be possible only when the employees are committed to work as they help in increasing the profit of the firm. So, that management has a responsibility towards the employees to look after them by providing all possible benefits to employees and help in increasing the quality of living standards of the employees.

b) Customer Satisfaction

The consumer should be provided with good quality products at reasonable prices. The aspirations and perceptions of the customers have to be given prime importance as the business is meant for consumers and their satisfaction should be the main objective of the business. So responsibility to consumers means that we have to set up and maintain the quality and service in addition to lower price tag.

c) Satisfaction of Shareholders

As the organization grows in size it is difficult to individually finance the running of the organization. So these organizations have shareholders who contribute and invest in the companies. For this, the management should give reasonable return on the money invested by the shareholders and there should be a provision to make the shareholder aware of developments and profits earned, so that we can have a satisfied shareholder.

3. Social Objectives

a) Availability of Goods

The business organizations should ensure the supply of products to meet the requirements of the society. The firm should make a study to know the demand and accordingly the production and supply of goods should be done. So business organization should ensure that goods are available in market in order to meet the demand.

b) Quality of Goods and Services

One of the basic responsibility of the businessman is to supply quality goods and services to customers at reasonable prices.

c) Cooperation with Government

The government has fixed priorities for the execution of policies for the growth and development of the nation. The businessmen should be reliable to the government agencies while paying tax dues and other liabilities, by doing so business men cooperate with the government in helping to achieve the objective of establishing socialistic pattern of society.

d) Creating Job Opportunities

Every business can help the society by creating new job opportunities. The business expansion will help the firm in gaining more profits and also employment to the unemployed.

e) Natural Resources

Efforts should be made by the businessmen to put the insufficient natural resources to the best possible use. Wastage of any such resource is a loss to the firm and to the nation.

4. Organic Objectives

a) Survival

In case of cut-throat competition, profits become very low. Organizations tend to operate very carefully and survival becomes in such cases, their survival becomes crucial objective.

b) Growth

As the business prospers, it tends to merge with other firms or take over them to gain profits on large scale and to attract more customers.

c) Recognition

The business organizations attain recognition in society by providing better customer service, increasing market share and by caring for society and environment.

5.1.8 Role and Importance of Management

Management is a purposeful goal directed activity concerned with accomplishing objectives with and through the efforts of others. Its presence is felt in the form of results such as increased productivity, discipline and enthusiasm of the subordinates. Management creates team work and coordination among specialised efforts.

The success of a group thus depends on mutual cooperation among the members of the group. Management is indispensable in all organizations whether a business firm, a government or a hospital, etc. Management is a creative force which helps in the optimum utilisation of resources of men, materials, money and machinery into a productive enterprise.

Management is a coordinating mechanism that underlies organized endeavour. As the brain of an organization, managers take steps to ensure that the organization is meeting the changing needs of the society. Managers take decisions and get them implemented to achieve the goals.

At the national level also, management is equally important. It is an agent of change and economic growth. The prosperity, power and prestige of a nation depends upon the competence and dedication of its managers and administrators. Management makes a significant social contribution by supplying goods and services, employment, tax revenue etc.

The achievement of business management enables us today to promise the abolition of grinding poverty. Thus, the effective management is the key for unlocking the forces of economic growth.

5.1.9 Significance or Importance of Management

Management is must for every enterprise. The existence of management ensures proper functioning and running of an enterprise. Management can plan the activities to achieve the objectives and utilise the available resources at minimum cost.

1. Management Meets the Challenge of Changes

In the modern business world, there are frequent changes, the changes place the business in a dangerous position. Only an efficient management can save the business from the dangers brought in by the challenges.

2. Accomplishment of Group Goals

The achievement of objectives of a business depends upon three factors. The proper planning of available resources, adjusting possibility of business unit with existing business environment and the quality of decision taken and control made by the business unit are the factors responsible for achieving objectives.

3. Effective Utilisation of Business

There are eight M's in the business, which are men, money, materials, machines, methods, motivation, markets and management. Management has control over other remaining M's.

4. Effective Functioning of Business

Ability, experience, mutual understanding, co-ordination, motivation and supervision are some of the factors responsible for the effective functioning of business. Management makes sure that the abilities of workers are properly used and cooperation is obtained with the help of mutual understanding.

5. Resource Development

Efficient management is the life of any developed business. The resources of the business may be identified and developed by the management. The term 'resources' includes men, money, material and machinery.

6. Sound Organization Structure

Management lays down the foundation for sound organization structure. Sound organization structure clearly defines, the authority and responsibility relationship.

7. Management Directs the Organization

The human mind directs and controls the functioning of the human body. Similarly, the management directs and controls the functioning of an organization.

8. Integrates Various Interests

Each person has his own interest. These interests are different in nature. Management takes steps to integrate various interests to achieve the objectives of an organization.

9. Stability

The fluctuations of business are stabilized by the management. The fluctuation of business is caused by changing policy of the government pressures on the part of competitors and changing preferences of customers. The efficient management can run the business as per the policy framed by the government, face the competitors in the market and produce the articles as per the preferences of customers.

10. Innovation

New ideas are developed by the management and implemented in the organization. Better performance is achieved through new ideas.

5.1.10 Functions and Process of Management

Management is considered to be process and identification of the basic functions is necessary. These basic functions describe the job of management. The basic functions of management are,

1. Planning
2. Organizing
3. Staffing
4. Directing
5. Coordination
6. Controlling and
7. Decision-making.

1. Planning

Planning is outlining what, how, where, when and by whom, a task is to be achieved. Everything is planned before and a blue print is prepared. Planning is the opposite of random action. Hence, as far as possible a definite programme of action is made. But because it refers to the future and the future is uncertain,

the management takes help from research, facts and trend forecasts. Again planning is the pre-action stage and it is the basis of all future actions. Therefore, it states clearly what, how, where, when and by whom the various business activities are to be performed.

Elements of Planning

- i) **Forecasting** These are predictions which are based on the past and present data.
- ii) **Objectives** They are the end towards which the activities of the enterprise are aimed. Objectives are decided by the top management which are considered as targets and aims of planning. They are fixed in nature.
- iii) **Policies** They specify what can be done or what cannot be done to achieve the given objectives.
- iv) **Strategies** These refer to the course of action to be adopted and followed for the achievement of long- term and short-term objectives.
- v) **Budgets** These are the plans giving details such as expense budget, sales budget etc.

2. Organizing

Organising involves identification of activities required for the achievement of objectives of the firm and implementation of plans. Organizing is the function of making arrangement for all the necessary resources required to work for achieving the objectives. It means making arrangements for all six M's (money, men, machines, material, marketing and managing) of business, therefore it involves the following steps.

- a) Activities determination.
- b) Staff recruitment.
- c) Work allocation.
- d) Authority and duty determination.
- e) Power delegation.

Thus, organization prepares a stage for taking necessary actions.

3. Staffing

After the objectives have been formulated for the achievement of objectives, the next step in the management process is to procure suitable personnel for

maintaining the jobs. So staffing is the function which enables the recruitment of suitable personnel.

Staffing consists of various sub-functions like,

- ♦ Manpower planning which decides the number and the kind of personnel required.
- ♦ Recruitment is a sub-function which attracts suitable number of potential employees to seek jobs.
- ♦ Selection of the most suitable persons.
- ♦ Placement, induction and orientation.
- ♦ Training and development of employees.

4. Directing

Directing consists of guiding and supervising the subordinates in activities. Management means getting work done by others i.e., the subordinates have to be properly guided and supervised in their respective jobs so that the common goal is achieved.

Directions are not only to be given but also to be obeyed. Hence, they must be definite, clear cut, understandable, communicable and practicable. Direction sets the organization in action.

5. Controlling

Controlling consists of making the results tally with targets or achieving close correspondence between plans and performance. The process of measuring the current performance of the employees and assess whether the given objectives are achieved or not.,

The various steps in controlling includes,

- a) Establishment of standard works.
- b) Assessment of actual work.
- c) Determination of deviation.
- d) Corrective action.

Controlling brings results nearer to the targets.

6. Coordinating

Coordinating means achieving team spirit and unity of action among the subordinates for achieving the common business objectives. In business unit, hundreds of persons are busy in numerous different jobs in various works in so many different places. But all are individually and collectively working for the same objective, called coordination. Need of coordination arises particularly because of the existence of,

- a) Numerous persons at work.
- b) Sub divisions and complexity of work.
- c) Delegation of authority and responsibility.
- d) Chances of differences between executives and specialists.

All these and similar factors make coordination by the manager very necessary.

The following are useful tools to achieve coordination.

- i) Clarify the objectives, which is the basic guide for worker.
- ii) Clarification of authority and responsibility of every subordinate so that he knows his specific duties and obligations.
- iii) Effective communication between the executive and his subordinates and also amongst subordinates themselves so that a good relationship is maintained.
- iv) Good human relationship of the manager with his subordinates.
- v) Cooperation both amongst the subordinates and between the executives and subordinates.

7. Decision-making

Decision-making is the most comprehensive and all embracing function of management. The modern trend is to include the detailed functions of planning and organizing in this one single function or to treat these various functions, different aspects of this same single function called decision-making. Decision-making means selecting one alternative out of two or more alternative solutions. It can be easily shown how decision-making covers all the earlier discussed functions.

For example, planning means selecting one future course of action out of various alternative courses. Again business can be in a number of alternative ways. Organising implies selecting one out of these. The same applies in respect of other functions like directing, controlling, motivating and coordinating. Therefore, decision-making summarizes all the managerial functions.

5.1.11 Leadership and Management

Grace Murray Hopper, an American computer programmer and inventor, wrote, "You manage things; you lead people."

Subject	Manager	Leader
Make up of role	Stability	Change
Decision making	Makes	Facilitates
Approach	Plans detail around constraints	Sets and leads direction
Vision	Short-term - today	Long-term - horizon
Control	Formal influence	Personal charm
Appeals to	The Head	The Heart
Culture	Endorses	Shapes
Action	Reactive	Proactive
Risk	Minimizes	Takes
Rules	Makes	Breaks
Direction	Existing direction / keeps status quo	New direction / challenges norm
Values	Results	Achievement
Concern	Doing the thing right	Doing the right thing
Focus	Managing work	Leading people
Human Resource	Subordinates	Followers

Management

Management normally focuses on work and tasks. These activities fit within the subject of resource: Human, time, Money, equipment and anything else that involves

achieving that task. The distinction therefore from Management versus Leadership is on managing resource within the constraints of the systems and enforcing the desired standards of work, including :

- **Planning** —Planning resource and tasks to achieve the objectives
- **Budgeting** —Managing the constraints of budgets in the department/ project
- **Organising** — Organising support functions and resource
- **Controlling** —Controlling the standards required to deliver the objectives
- **Coordinating** —Coordinating and directing project tasks for achievement of goals
- **Resource use** —Ensuring effective resource is used for the task at hand
- **Time management** —Ensuring tasks and activities are conducted within the correct time frame
- **Decision Making** —Making the right decisions in the heat of the moment
- **Problem Solving** —Ensure problems are contained and eliminated

Leadership

Leadership focuses on achieving tasks, keeping the team motivated and empowered to achieve that task. Thirdly, it involves getting the best out of each and every individual for the benefit of the team's successful achievement of those goals. It is about leading by example, inspiring, empowerment, creating the most conducive environment for team success :

- **Vision** -focusing on the long term vision or goal
- **Motivation** - Motivation and empowerment to challenge the norm
- **Inspiration** - Inspiring others through merely leading and injecting enthusiasm
- **Persuasion** - Using excellent leadership skills to bring people willingly along the correct path
- **Team work** - Encouraging effort and commitment, and teamwork
- **Building Relationships** - Building strong relationships and ensuring the team is well balanced.

- **Listening** - Being able to listen and get the root causes quickly and effectively
- **Counselling** - Ensuring that every member of the team is motivated and effectively empowered
- **Coaching** - Encouraging and giving freedom for individuals to learn and grow
- **Teaching** - Leading the correct performance and expectations
- **Mentoring** - Being the leader in a successful team and parting knowledge and wisdom onto the team and its individuals.

5.1.12 Leadership Styles

The styles are patterns of behaviour which a leader adopts in influencing the behaviour of his followers (Sub-ordinates) in the organisation.

There are many dimensions of leadership styles.

Power dimensions where superior uses varying degree of authority.

Orientation : Employee oriented or Task oriented.

Motivational: Where superior affects the behavior of his subordinates either by giving a reward or by imposing a penalty.

1. Autocratic - Participative - Free - rein leadership :
 1. Autocratic leadership
 2. Participative leadership
 3. Free-rein leadership

5.1.12.1 Autocratic Leadership

In autocratic leadership style, a manager centralises decision - making power in himself. He structures the complete work situation for his employees and they do what they are told.

- a) **Strict autocrat** : His method of influencing subordinates behaviour is through negative motivation, i.e., by criticising subordinates, imposing penalty etc.
- b) **Benevolent autocrat** : He also centralises decision - making power in him, but his motivation style is positive. He can be effective in getting efficiency in many situations. Some people like to work under strong authority structure and they derive satisfaction by this leadership.

- c) **Incompetent Autocrat** : Superiors adopt autocratic leadership style to hide their incompetence, because in other styles they may be exposed before their subordinates.

The advantages of autocratic technique are :

1. There are many subordinates in the organisation who prefer to work under centralised authority structure and strict discipline. They get satisfaction from this style.
2. It provides strong motivation and reward to a manager exercising this style.
3. It permits very quick decisions as most of the decisions are taken by a single person.
4. Less competent subordinates also have scope in work in the organisation under his leadership style as they do negligible, planning, organisation and decision - making.

Dis - advantages :

1. People in the organisation dislike it specially when it is strict and the motivational style is negative.
2. Employees lack motivation. Frustration, low morale, and conflict develop in the organisation jeopardising the organisational efficiency.
3. There is more dependence and less individuality in the organisation. As such, future leaders in the organisation do not develop.

5.1.12.2 Participative Leadership / Democratic / Consultative / Ideographic

Participation is defined as mental and emotional involvement of a person in a group situation which encourages him to contribute to group goals and share responsibility in them.

A participative manager decentralises his decision - making process. Instead of taking unilateral decision, he emphasises consultation and participation of his subordinates. There are various benefits of participative management.

1. It is a highly motivating technique to employees as they feel elevated when their ideas and suggestions are given weight in decision - making.
2. The employees' productivity is high because they are party to the decision. Thus, they implement the decisions whole - heartedly.

3. They share the responsibility with the superior and try to safe-guard him also.
4. It provides organizational stability by raising morale and attitudes of employees high and favorable.

Disadvantages :

1. Complex nature of organisation requires a thorough understanding of its problems which lower level employees may not be able to do.
2. Some people in the organisation want minimum interaction with their superiors or associates. For them, participation technique is discouraging instead of encouraging.
3. Participation can be used covertly to manipulate employees, thus, some employees may prefer the open tyranny of an auto-crat as compared to covert tyranny of a group.

5.1.12.3 Free-rein leadership

1. Free rein or Laissez - faire technique means giving complete freedom to subordinates, In this style, manager once determines policy, programmes and limitations for action and the entire process is left to subordinates.
2. Group members perform everything and the manager usually maintains contacts with outside persons to bring the information and materials which the group needs.
3. This type of style is suitable to certain situations where the manager can leave a choice to his group. This helps subordinates to develop independent personality.

Hence, this style is used very rarely in business organisations.

5.2 THEORIES OF LEADERSHIP**5.2.1 Traits**

Many theories have tried to explain the characteristics that individuals require to become effective leaders. There are three important theories in this context. They are: personality traits theories, behavior theories, and contingency theories. The personality traits and behavior theories were criticized by some OB experts on the ground that they were based on unsupported and oversimplified assumptions. Further, research led to the development of the contingency theories.

1. Traits Theories

Earlier researchers believed that there were certain unique characteristics in people that made them leaders. They concentrated their research on the traits of leaders. According to them, a person must possess certain unique personality traits that are essential for effective leadership.

One of the traits theories of leadership, the 'great person' theory, suggested that the personality traits necessary to become an effective leader could be acquired through training and experience. This theory was probably influenced by behavioral psychologists who believed that leadership traits could be acquired through training and experience.

Researchers also tried to study the relationship between physical traits and leadership. However, these theories could not establish a valid relationship between the two. The traits theories were not well established as they failed to prove that traits alone were responsible for the emergence of some of the successful leaders. In fact, the traits theories provided only a description of leaders and had little analytical or predictive value.

2. Behavioral Theories

The behavioral theorists concentrated on the unique behavioral aspects found in leaders that enabled them to attain effective leadership. Following are the four main behavioral theories of leadership :

- (i) **The Ohio State Studies:** In 1945, researchers from various fields conducted studies on leadership at the Ohio State University. The research was based upon a questionnaire called 'Leader Behavior Description Questionnaire.' Initially, the researchers suggested that there were thousands of dimensions along which the behavior of leaders could be studied. Later, they narrowed it down to initiating structure and consideration.
- (ii) **Initiating structure:** This refers to the ability of individuals to design their own tasks as well as those of their subordinates and also to get these tasks accomplished in time. Individuals who are highly inclined to such behavior tend to put pressure on their subordinates to meet deadlines and achieve the goals on time.
- (iii) **Consideration:** This refers to the level to which individuals are considerate about their subordinates' feelings, respect their ideas, and strive to establish a healthy work relationship. People who score high on this dimension are very friendly and open with their subordinates. They extend help to their employees to solve both personal and work-related problems.

According to researchers, people who score high on both the dimensions make effective leaders.

(iv) **University of Michigan Studies:** A research conducted at the Survey Research Center at the University of Michigan gave similar results as that of the Ohio State Studies. The research was conducted on twelve pairs of sections. Each pair consisted of one high producing section and one low producing section. During the study, the researchers also interviewed 24 supervisors and 400 workers. The research led to the following results:

- (a) **Employee-oriented dimension:** This dimension emphasizes the interpersonal relationship between the leader and his subordinates. Leaders with a high score on this dimension were capable of accepting individual differences among the employees. It was also observed that high productivity sections usually had employee-oriented supervisors.
- (b) **Production-oriented dimension:** In contrast, the production-oriented dimension concentrates on productivity rather than on employees. Leaders who score high on this dimension considered employees only as a means to achieve goals.

Researchers concluded that leaders with an inclination toward the employee-oriented dimension resulted in higher job satisfaction (in employees) and higher group productivity.

(c) **The Managerial Grid:** The managerial grid was developed by Blake and Mouton. Their study was based on their own research as well as the results of the earlier Ohio State Studies and the University of Michigan Studies.

The managerial grid consists of nine rows and nine columns. While the rows represent the leader's concern for production, the columns represented the leader's concern for people. A leader could be located in any of the total 81 leadership styles on the managerial grid. Blake and Mouton specifically identified five leadership styles at 1,9; 1,1; 9,1; 5,5 and 9,9 that helped in better understanding of the relationship between behavioral aspects and leadership.

This theory was criticized on the ground that it failed to reveal any new facts or establish new relationships that could clarify the conflicting views on leadership.

- (d) **Scandinavian Studies:** According to some theorists, the three behavioral theories discussed above did not take into account the dynamics, or even chaotic environments that influence modern organizations. Therefore, some Finnish and Swedish theorists began reviewing the earlier studies in order to discover new dimensions that could incorporate the dynamics of the environment.

The studies led to the finding of a new dimension called 'development-oriented behavior.' According to this dimension, leaders were ready to experiment with new ideas and practices and embrace change. It also showed that subordinates considered leaders who were development-oriented to be more effective and competent. The studies also stated that subordinates showed higher job satisfaction under development-oriented leaders.

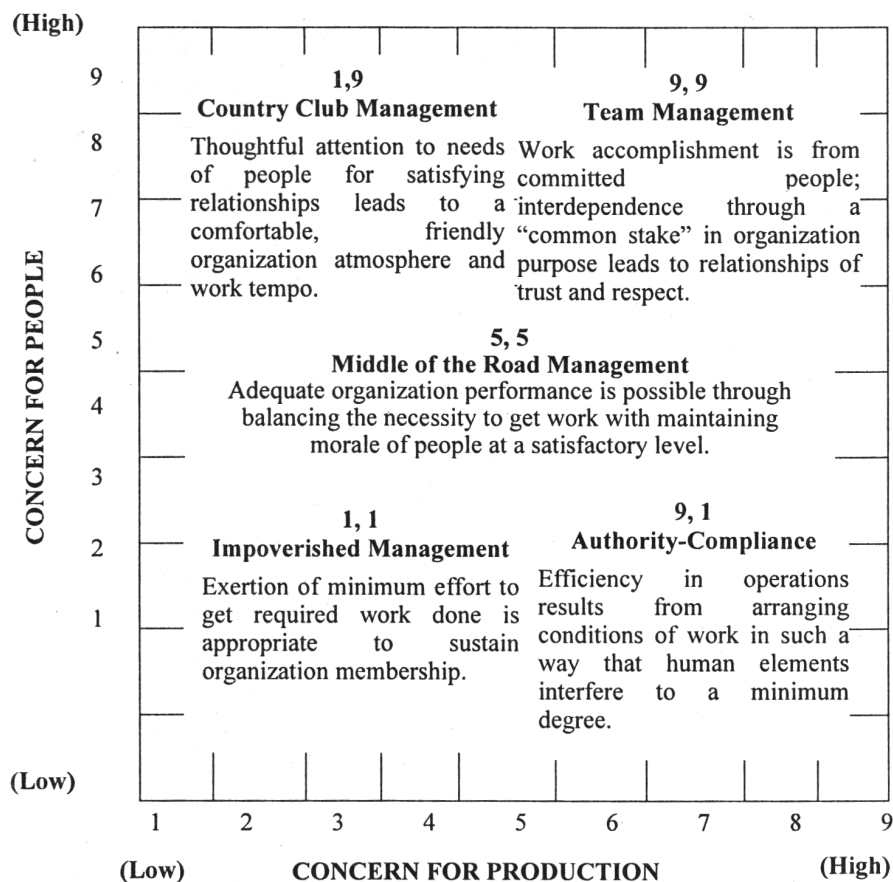


Fig. The leadership grid

Although the behavioral theories were successful in establishing a relationship between behavior and leadership, they failed to consider one important aspect that influences leadership — ‘situational factors.’ Leaders need to be flexible and capable of adapting their behavior to changes in situations in order to be successful.

- (v) **Contingency Approaches to Leadership:** According to the contingency approach of leadership, a single leadership style is not applicable to all situations. Every leader is required to carefully analyze the situation before adopting a style that best suits the requirements of the situation. Following are the five contingency models of leadership styles:

3. Fiedler’s Contingency Model

This model was developed by Fred Fiedler. According to him, the choice of the most appropriate leadership style is dependent upon whether the overall situation is favorable or unfavorable to the leader. The favorability or unfavorability of a situation to a leader is dependent upon the following factors: *Leader-member relationship*: This refers to the extent to which the leader shares good rapport with and is considered acceptable by his/her subordinates.

- (a) **Degree of task structure:** This refers to the degree to which the task on hand can be performed efficiently by following a particular method.
- (b) **The leader’s position:** This refers to the degree of power or formal authority that is given to the leader in the organization.

According to Fiedler, a situation is favorable when a leader scores high on all these dimensions.

4. Hersey and Blanchard’s situational theory

According to Hersey and Blanchard, the leadership style to be followed by managers is largely dependent upon the maturity levels of subordinates. An employee’s maturity level refers to his/her ability to carry out the assigned tasks and also to the extent to which he/she is motivated to perform them. Since employees differ from each other in terms of competence and commitment, leaders have to adopt different leadership styles to deal with different subordinates. This theory is also known as the ‘Life Cycle’ model.

Hersey and Blanchard further categorized leadership styles as follows:

- (a) **Telling :** In this style of leadership, the leaders constantly give work-related directions to the subordinates. It is to be followed for employees who are low on their ability to perform as well as are not willing to perform.

- (b) **Selling:** In this style, the leaders give directions as well as provide the required support to the subordinate. This style can be followed for employees low on their ability to perform but high on willingness to perform.
- (c) **Participating:** Leaders adopting this style provide the required support to the employees. They assign more responsibilities and give fewer directions to their subordinates. The participating style is suitable for employees who are high on ability to perform but low on willingness to perform.
- (d) **Delegating :** The leaders simply delegate the responsibilities to the subordinates. This style is most suitable for employees who are high on ability to perform as well as high on willingness to perform.

The factor that this model emphasizes is the capability and willingness of individuals to perform their task. This factor was often ignored by other theorists. However, the model tends to ignore other important factors such as leader's attitude that affects leadership behavior.

5. **Leader-member exchange theory**

According to this theory, leaders often behave differently with different subordinates. Further, they also establish close relationships with a small group of subordinates early in their interaction. The group of subordinates with whom leaders establish a relationship is known as the in-group, while the others are referred to as the out-group. The leaders maintain a formal relationship with the out-group and interact with this group less frequently than with the in-group.

Although the basis for the formation of in-groups and out-groups is not clear, researches have indicated that leaders do favour people who have attitudes and personalities similar to their own. The theory also suggests that leaders give promotions to the in-group employees quickly and also that the employee turnover rate in such groups is low.

6. **Leadership-participation model**

In 1973, Victor Vroom and Philip Yetton came up with the 'leadership-participation' model that tried to establish a relationship between leadership behavior and the decision-making style. According to them, leaders are required to adapt their behavior to suit changes in situations. The model proposed a sequential set of rules that could help managers in taking decisions in different situations. Initially, this model consisted of a decision tree with seven contingencies and five alternative leadership styles. Later, Vroom along with another academician Arthur Jago, came up with a revised model that consisted

of twelve contingencies. These contingencies were also called 'problem attributes.' Further the problem attributes were categorized into decision-quality and employee acceptance.

Decision-quality attributes consisted of cost considerations, information availability, and nature of problem structure. The dimensions under employee acceptance consisted of need for commitment, their prior approval, congruence of their goals with that of the organization and conflicts among the employees.

Leadership styles : The model is based upon the following three assumptions. However, the relevance of these assumptions is yet to be proved:

- The decision tree enables leaders to precisely classify the various problems
- Leaders are willing to and are capable of adopting various leadership styles according to the situation
- Employees accept the changes in leadership styles.

7. Path-goal theory

The path-goal theory was developed by Robert House. According to this theory, leaders define individual or group goals to the subordinates that are in line with the organizational goals.

They then provide the required support and guidance to their subordinates to achieve the goals. Thus, as leaders, they define the path to attainment of the goals. Also leaders remove any hurdles that come in the way of achievement of the defined goals. Subordinates accept their leader when

- They find that the satisfaction of their needs depends upon their effective performance.
- They are provided the guidance, support, and rewards needed for effective performance.

Leadership styles : According to this theory, the leader is flexible and is capable of adapting his/her behavior to changing situations. It further suggests that the behavior of the leader is dependent upon two contingencies namely - environmental factors and personal characteristics of subordinates.

5.2.2 Behavioral Model (Managerial Grid)

On the most widely known approaches of leadership style is, the managerial grid developed by Black and Mouton. They emphasize that leadership style consists of factors of both the task-oriented and relation - oriented because in varying degree.

Their 'Concern for' phrase has been used to convey how managers are concerned for people or production rather than 'how much' production getting out of group.

"Concern for people" includes degree of personal commitment toward goal achievement, maintaining the self-esteem to workers, responsibility based on trust, and satisfying inter personal relations.

The managerial grid identifies five leadership styles based upon these two factors found in organisation.

- 1) Exertion of minimum effort is required to get work done and sustain organisation morale.
- 2) Thoughtful attention needs of people leads to a friendly and comfortable organisation atmosphere and work tempo.
- 3) Efficiently results from arranging work in such a way that human elements have little effect.
- 4) Adequate performance through balance of work requirements and maintaining satisfactory morale.
- 5) Work accomplished is from committed people with interdependence through a common stake in organisation purpose and with trust and respect.

Each style points out the relative contents of concern for production or people and implies that the most desirable leader behaviour 9.9 (maximum, concern for production and people) Managerial grid is a useful device to a manager for identifying and classifying managerial styles. It helps him understand why he gets the reaction that he does from his subordinates. It can also suggest some alternative styles that may be available to him. In managerial grid, although the forward concerns and the mid-point of the grid are emphasised, these extreme positions are rarely found in their pure form in working conditions.

Nevertheless, managerial grid is widely used throughout the world as a means of managerial training and of identifying various combinations of leadership styles.

Tri-dimensional

Reddin Conceptualised a three-dimensional grid, also known as 3-D management, borrowing some of the ideas from Managerial grid.

Three dimensional axes represent task- orientation, relationship – orientation, and effectiveness. Reddin has integrated the concepts of leadership styles with the situational demand of a specific environment.

Task Orientation :(TO)

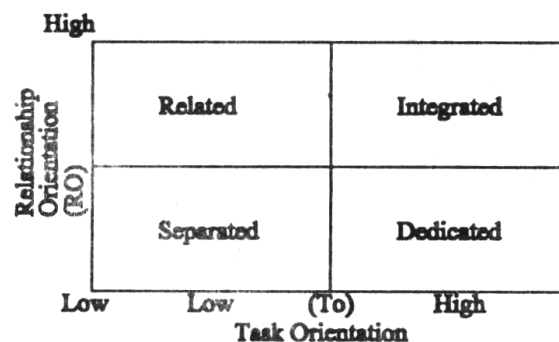
Task Orientation is defined as the extent to which a manager directs his subordinates efforts towards goal attainment. It is characterised “by Planning. Organising and Controlling.

Relationship Orientation (RO) :

RO is defined as the extent to which a manager has personal relationships. It is characterised by mutual trust, respectful for subordinates ideas and suggestion, and their feelings. Effectiveness is defined as the extent to which a manager is successful in his position. When the style of a leader is appropriate to a given situation, it is termed as effective, when the style is inappropriate to a given situation it is termed as ineffective.

Thus, the difference between effective and ineffective styles is often not the actual behaviour but the appropriateness of the behaviour to the environment in which it is used.

Either degree of TO, or RO, or a combination of both, is used by leaders. On this basis, basically there are four styles as shown in this figure.

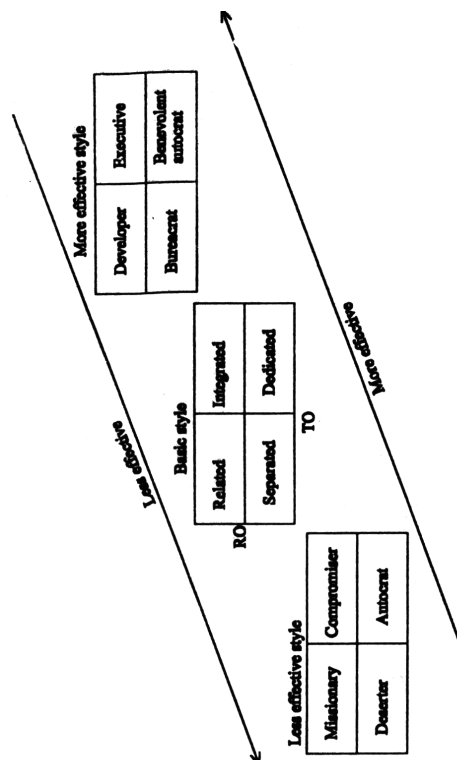


These four styles represent 4 basic types of behaviour.

1. The separated manager is concerned with correcting deviations. He writes rules and policies and enforces them.
2. The related manager accepts others as he finds them, does not worry about time, seen the organization as a social system, likes to work with others and obtains cooperation of others by setting examples.
3. Dedicated manager is domineering, interested only in production, and does not identify with subordinates. He cannot work without power.

4. The integrated manager gets himself and his people involved with the organisation. There is free two-way common and strong identification and emphasis on team work. Any of the styles can be efforts in some situations but not in others.

Thus, each one of these styles has a less effective as well as a many effective equivalent as shown below.



Thus, the 4 basic styles result into eight styles. These eight styles result from the eight possible combinations of task - orientations, it relationship orientation, and effectiveness as shown below.

Basic style	Less effective style	More effective style
Integrated	Compromiser	Executive
Dedicated	Autocrat	Benevolent Autocrat
Related	Missionary	Developer
Separated	Deserter	Bureaucrat

According to this, following are ineffective styles :

1. **Deserter** : He has both low task and low people orientation and is completely alienated from an organisational life; avoids involvement, does not want to take responsibility and has low commitment, and believes in minimal output and works to rule.
2. **Missionary** : He shows only interests in harmony, believes in easy life, avoids conflicts, and does not take initiative.. His objective is to keep his colleagues, subordinates and superiors happy.
3. **Autocrat** : He is concerned with only the immediate jobs, has no concern for others: his decisions are unilateral and centralised: believes in suppressing and demands obedience of authority; relies more on negative motivation.
4. **Compromiser** : He uses a high task and relationship orientation in a situation that may not require a high concentration in either; is a poor decision- maker and avoids decisions; is work and yielding, allows various pressure in the situation to influence him too much.

The Four Effective Styles :

1. **Bureaucrat** : He has high orientation towards organisational rules and regulations, is impersonal and less task & relationship - orientated, produces only few ideas and does not take initiative.
2. **Developer** : He tends to display implicit trust in people: relies on high relationship orientation & less task orientation, believes in commitment to work, openness, freedom to act. self-expression, and development of sub-ordinates.
3. **Benevolent autocrat** : He is a directive manager who knows what he wants and one often gets it without creating resentment: is high tasks and less people oriented, adopts positive economic motivation for getting things done and follows feudalistic approach in managing the organisation.
4. **Executive** : He has a high task and high relationship orientation in a situation where such behaviour is appropriate, emphasised team management task is regarded as interdependent and integrated. The style acts as all powerful motivational instalments in the organisation. This is a democratic leadership style.

The three-dimensional model recognises that a manager may use more than one style, and no single style is suggested to be appropriate in all situations.

5.3 CHANGE

Change is certain in nature which will have its impact/effect on the organisations and the individuals. Change is an important aspect of effective management.

In competitive environment, change is necessary for every business so it is necessary for the managers to possess knowledge about managing change in their business. Change is defined as, “to make or become different, give or begin to have a different form”. In simple words, change is explained as a process which basically effects the pattern of work/relationship within an organisation.

Change is bipolar in nature. It involves both the characteristics of stability and instability, predictable and unpredictable, continuous and discontinuous and it is intrinsic and extrinsic to the organisation.

Usually, changes take place at three levels,

1. **Micro Changes.** The changes that takes place in personal lives of the people.
2. **Organizational Changes.** The changes that takes place in any institution and have impact on people’s lives.
3. **Macro Changes.** The changes that effects the people in a significant manner throughout the world.

Process of Change

Individual change is analysed by the characteristics of individuals like knowledge, needs, attitudes, beliefs and expectations. In order to have organizational change, managers must change the behaviour of all individuals through some practical participative strategy. Resistance to change can be overcome by planning and implementing the process of change in an organized manner. The stages in the process of planned change developed by Kurt Lewin are of follows.

1. Unfreezing
2. Changing
3. Refreezing.

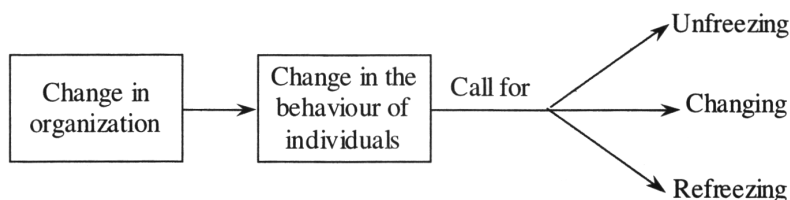


Figure: The Change Process

Stages in Change Process

1. **Unfreezing.** A planned change is motivated in this state. Unfreezing process starts when the managers considers the appropriateness of the employee's present behaviour as invalid.
2. **Changing.** In this stage, employees begins to learn the new concepts, ideas, and so on. Some important factors which helps in implementing change are role models, mentors, experts, benchmarking and training.
3. **Refreezing.** During refreezing stage, change becomes stable so that employees can adopt changed behaviour and implement it in their usual way of doing things. This can be achieved by giving an opportunity/chance to the employees to show their new behaviour and then support it by providing coaching and modeling to strengthen the desired change and maintain stability in the change.

Types of Change

Change is referred to as the variation/alteration in the present conditions in order to get the benefit out of the change. Change is an effective element in every successful organisation. Change is defined as, "to make or become different, give or begin to have a different form".

Change implies moving from a known state to an unknown state. In order to deal with the effects of changes, organizations may plan, experience or undergo change. Following are the different types of changes.

1. **Happened Change.** Happened changes is unpredictable in nature. Usually, it takes place due to the external factors, -. 'Happened change is very extreme/deep and produces a future state which is greatly unknown. Organisations experiences this type of changes in its stability position of its life cycle.
2. **Reactive Change.** Reactive change take place in reaction to an event or a series of events. Organisations are greatly involved in reactive changes, when there is an increase or decrease in demand of product or service of the company or when a problem develops.
3. **Anticipatory Change.** When organisation involves in a change by expecting a specific event or a series of events is known as anticipatory changes. If organization fails to anticipate/predict the future events then it may result in destruction of the organisation. Anticipatory changes involve transforming the organization from present state to the designed/predicted future state and manages the transition process.

4. **Transformational Change.** When entire or major part of the organisation is changed, it is known as transformational change. It may be the size, shape, structure and nature of the organization which are changed.
5. **Planned Change.** Planned change is also known as developmental change. It is undertaken in order to improve the present ways of operating. It is introduced to attain specific desired output/performance so that the internal and external demand can be met/achieved by the organisation. It is a calculated change. It needs support from systems/subsystems level to continue in the organization.
6. **Fundamental Change.** Fundamental change involves redefining the current purpose or mission of the organisation. Organisations must implement fundamental change when business environment goes through drastic changes, problems relating to employee's morale, low turnover, or unsuccessful corporate leadership.
7. **Revolutionary Changes.** Revolutionary changes involves unexpected or sudden changes in organizational strategy and design. It comprises of envisioning, energizing and enabling, so that the change can be implemented in an organisation.
8. **Operational Change.** As a result of external competition, changing demands of customers or internal organizational dynamics, organisations must implement operational changes in order to improve the quality of products or services.
9. **Other Changes.** Some other changes which are implemented in organizations are incremental, strategic, directional and total change.

5.3.1 Challenges of Change

Change is constant and it is possible to bring change in every situation. Change often creates many problems for individuals and organisation. Individuals may accept some changes and may oppose some. In order to avoid change and the future problems, individuals usually resist against change in different ways. Resistance of change depends upon individuals personality and nature of change as follows.

1. Acceptance of Change

There are different ways of accepting the effects of change, most common one is enthusiastic cooperation. It happens, very rarely only in case, when the desires and needs of individuals are fulfilled and satisfied by the effects of change then only the individuals accepts the change otherwise simply resists it.

2. Indifference to Change

Some individuals behave indifferently towards change, like for instance they sometimes completely ignores the problem focusing upon irrelevant aspects of the problems and at times they just simply avoid the problem.

3. Organized Resistance

When the changes effect a group of people, the reaction of such group members influences others greatly. Individuals react in an organised way towards change because they need self-protection or future security. Two or more groups combine and resist the change to have future security and it is more effective than personal resistance. Organized resistance can take place at one or more levels such as,

1. Immediate work group
2. Department of work group and
3. Dominant coalition.

4. Frustration and Aggression

Aggressive behaviour, hostile feeling and frustration is a psychological concept. When external factors contradicts each other and performs against desires and needs of individual, it is common that individuals becomes frustrated. This frustration may develop hostile feelings. Any individual undergoing a change may become frustrated and become aggressive in nature or behave aggressively.

Due to aggression, some individuals withdraw from the situations that leads to increase in absenteeisms. Frustration may develop diseases like high blood pressures, ulcers, heart attacks and asthma.

5.3.2 Approaches to Managing Organizational Change

According to an article in Forbes, Change Management Guru is the world's oldest profession. Almost everyone has a few theories about change management.

While there are many change management models, most companies will choose at least one of the following three models to operate under:

1. Lewin's Change Management Model
2. Kotter's 8 Step Change Model
3. Action Research Model
4. Organizational Development

1. Lewin's Change Management Model

According to **Kurt Lewin**, organizations should follow the following three steps (Refer Figure 21.2) to introduce permanent change:

- **Unfreeze:** In this step, the management of an organization educates the employees about the factors that necessitate change and also about the benefits they would reap once the change process is completed.
- **Movement to Change:** Once the organization gains the confidence of the employees regarding the eminent change, the actual process of change can be initiated. This stage involves implementing the change.
- **Refreeze:** The third step involves reinforcing change so that the organization does not revert to the old state of things.

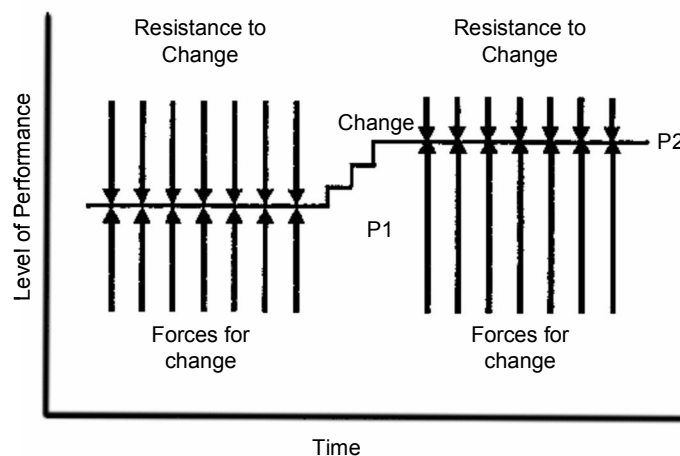


Figure : Lewin's Three Step Model

2. Kotter's 8 Step Change Model

This model, created by Harvard University Professor John Kotter, causes change to become a campaign. Employees buy into the change after leaders convince them of the urgent need for change to occur. There are 8 steps are involved in this model:

1. Increase the urgency for change.
2. Build a team dedicated to change.
3. Create the vision for change.
4. Communicate the need for change.

5. Empower staff with the ability to change.
6. Create short term goals.
7. Stay persistent.
8. Make the change permanent.

Significant advantages to the model are:

- The process is an easy step-by-step model.
- The focus is on preparing and accepting change, not the actual change.
- Transition is easier with this model.

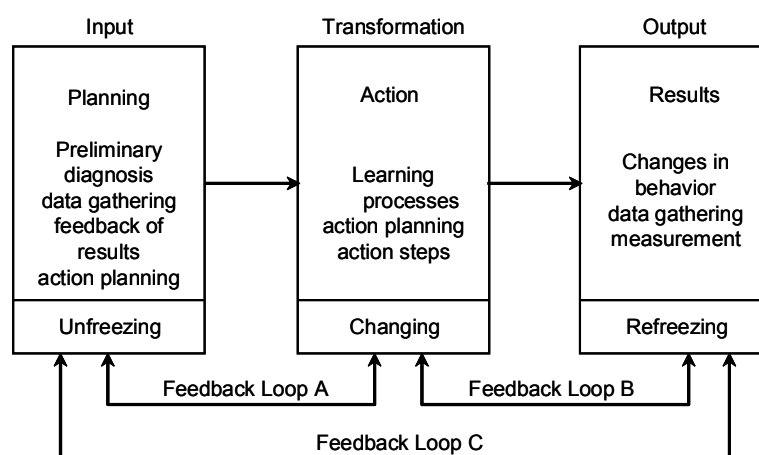
There are some disadvantages offered by this model:

- Steps can't be skipped.
- The process takes a great deal of time.

It doesn't matter if the proposed change is a change in the process of project planning or general operations. Adjusting to change is difficult for an organization and its employees. Using almost any model is helpful, because it offers leaders a guideline to follow, along with the ability to determine expected results. This is helpful because change is difficult to implement and manage.

3. Action Research Model

Action research is "a change process based on the systematic collection of data and then selection of a change action based on what the analyzed data indicate." The process consists of five steps: diagnosis, analysis, feedback, action, and evaluation.



These steps closely parallel the scientific method.

- (i) **Diagnosis** begins by gathering information about problems, concerns, and needed changes from members of the organization.
- (ii) **Analysis** of information is synthesized into primary concerns, problem areas, and possible actions. Action research includes extensive involvement of the people who will be involved in the change program.
- (iii) **Feedback** requires sharing with employees what has been found from steps one and two and the development of a plan for the change.
- (iv) **Actionis** the step where the change agent and employees set into motion the specific actions to correct the problems that were identified.
- (v) **Evaluation** is the final step to assess the action plan's effectiveness. Using the initial data gathered as a benchmark, any subsequent changes can be compared and evaluated.

Action research provides at least two specific benefits for an organization.

- First, it is problem-focused. The change agent objectively looks for problems and the type of problem determines the type of change of action.
- Second, resistance to change is reduced. Once employees have actively participated in the feedback stage, the change process typically takes on a momentum of its own.

4. Organizational Development

Organizational development (OD) is a term used to encompass a collection of planned-change interventions built on humanistic-democratic values that seek to improve organizational effectiveness and employee well-being.

The OD paradigm values human and organizational growth, collaborative and participative processes, and a spirit of inquiry.

The underlying values in most OD efforts:

- Respect for people
- Trust and support
- Power equalization
- Confrontation
- Participation

OD techniques or interventions for bringing about change:**1. Sensitivity Training**

- It can go by a variety of names—laboratory training, groups, or T-groups (training groups)—but all refer to a thorough unstructured group interaction.
- Participants discuss themselves and their interactive processes, loosely directed by a professional behavioral scientist.
- Specific results sought include increased ability to empathize with others, improved listening skills, greater openness, increased tolerance of individual differences, and improved conflict resolution skills.

2. Survey Feedback

- One tool for assessing attitudes held by organizational members, identifying discrepancies among member perceptions, and solving these differences is the survey feedback approach.
- Everyone can participate, but of key importance is the organizational “family.”

A questionnaire is usually completed by all members in the organization or unit.

- The data from this questionnaire are tabulated with data pertaining to an individual’s specific “family” and to the entire organization and distributed to employees.
- Particular attention is given to encouraging discussion and ensuring that discussions focus on issues and ideas and not on attacking individuals.
- Finally, group discussion in the survey feedback approach should result in members identifying possible implications of the questionnaire’s findings.

3. Process Consultation

- The purpose of process consultation is for an outside consultant to assist a manager, “to perceive, understand, and act upon process events” that might include work flow, informal relationships among unit members, and formal communication channels.
- The consultant works with the client in jointly diagnosing what processes need improvement.

- By having the client actively participate in both the diagnosis and the development of alternatives, there will be greater understanding of the process and the remedy and less resistance to the action plan chosen.

4. Team Building

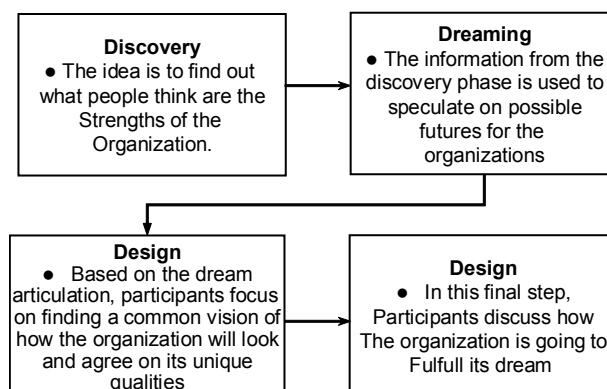
- It utilizes high-interaction group activities to increase trust and openness among team members.
- Team building is applicable to the case of interdependence. The objective is to improve coordinative efforts of members, which will result in increasing the team's performance.
- The activities considered in team building typically include goal setting, development of interpersonal relations among team members, role analysis, and team process analysis.
- Team building can also address itself to clarifying each member's role on the team.

5. Intergroup Development

- It seeks to change the attitudes, stereotypes, and perceptions that groups have of each other.
- Once the causes of the difficulty have been identified, the groups can move to the integration phase—working to develop solutions that will improve relations between the groups.
- Subgroups, with members from each of the conflicting groups, can now be created for further diagnosis and to begin to formulate possible alternative actions that will improve relations.

6. Appreciative Inquiry

- They identify a problem or set of problems, then look for a solution. Appreciative inquiry seeks to identify the unique qualities and special strengths of an organization.



Short Question and Answers

UNIT-I

Q1. Meaning of Organisation.

Ans :

Organisation is the foundation upon which the whole structure of management is built. Organisation is related with developing a frame work where the total work is divided into manageable components in order to facilitate the achievement of objectives or goals. Thus, organisation is the structure or mechanism (machinery) that enables living things to work together. In a static sense, an organisation is a structure or machinery manned by group of individuals who are working together towards a common goal.

Q2. Formal organisational.

Ans :

Formal organisational structures are categorised as :

- i) Line organisational structure.
 - ii) Staff or functional authority organisational structure.
 - iii) Line and staff organisational structure.
 - iv) Committee organisational structure.
 - v) Divisional organisational structure.
 - vi) Project organisational structure.
 - vii) Matrix organisational structure and
 - viii) Hybrid organisational structure.
-

Q3. Characteristics of project organisation.

Ans :

- 1. Personnel are assigned to a project from the existing permanent organisation and are under the direction and control of the project manager.
- 2. The project manager specifies what effort is needed and when work will be performed whereas the concerned department manager executes the work using his resources.

SHORT QUESTION AND ANSWERS

3. The project manager gets the needed support from production, quality control, engineering etc. for completion of the project.
 4. The authority over the project team members is shared by project manager and the respective functional managers in the permanent organisation.
 5. The services of the specialists (project team members) are temporarily loaned to the project manager till the completion of the project.
-

Q4. Benefits of Informal Organisation.

Ans :

- i) Assists in accomplishing the work faster.
 - ii) Helps to remove weakness in the formal structure.
 - iii) Lengthens the effective span of control.
 - iv) Compensation for violations of formal organisational principles.
 - v) Provides an additional channel of communication.
 - vi) Provides emotional support for employees.
 - vii) Encourages better management.
-

Q5. Job Analysis.

Ans :

Job analysis is undertaken to find out the one best way of doing the things. The best way of doing a job is one which requires the least movements, consequently less time and cost. The best way of doing the thing can be determined by taking up time-motion-fatigue studies.

- i) Time study involves the determination of time a movement takes to complete
 - ii) Motion study involves the study of movements in parts which are involved in doing a job and thereby eliminating the wasteful movements and performing only necessary movements.
-

Q6. Leadership.

Ans :

Leadership is one of the most important aspects of managerial functions. Leadership cannot come only from a formally appointed superior. In some areas, informal leader is more important in directing group behaviour because of his identity with group objective.

Q7. Scientific Management.

Ans :

F.W. Taylor is known as the father of scientific management. Taylor and other contributors, notably Frank Gilbreth and Lilian Gilbreth, Henry Gant, Emerson, investigated the effective use of human beings in industrial organisation. They studied primarily the use of human being as adjuncts to machines in performance of routine tasks. The area of human behaviour in organisations investigated by them was quite narrow.

He later integrated his ideas in his classic “The Principles of Scientific Management” published in 1911.

Q8. Decision Theory.

Ans :

Simon, a well known authority in the field of administrative behaviour and decision making, has made notable contribution in the field of management. He looked at the problems of management in the totality of social and psychological context: Though he belongs primarily to cooperative social systems school, he has emphasised its decision-making aspects. His main contributions can be analysed as follows:

1. Concept of organisation
 2. Decision-making
 3. Bounded rationality
 4. Administrative man
-

Q9. Organisational Design.

Ans :

Organisational design is formulating the philosophy for coordinating the job tasks. One philosophy is narrow bandwidth which results in narrow and specialised jobs. Narrow bandwidth leads to tall organisations. Another philosophy is wider bandwidth which leads to flat structures.

Q10. Organisational Culture.

Ans :

Organisational culture is a “pattern of basic assumption-invented, discovered or deployed by a given group as it learns to cope with its problems of external adaptation

SHORT QUESTION AND ANSWERS

and internal integration-that has worked well enough to be considered valuable and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems.”

Q11.Organisational Behaviour.

Ans :

Organisational behaviour is studying the behaviour of individuals and groups. OB studies the behaviour systematically, how people behave under a variety of situations and conditions. It also studies why people behave as they do. Thus, it identifies the reasons for the behaviour.

OB predicts the future behaviour of employees. Managers based on the past behaviour of the employees, employee traits, values and future situations predict the future behaviour of employees.

Q12.Workforce diversity.

Ans :

Workforce diversity addresses differences among people within given countries. It means that Organizations are becoming more heterogeneous in terms of gender, race and ethnicity. When diversity is not managed properly, there is potential for higher turnover, more difficult communication and more interpersonal conflicts. So workforce diversity has important implications for management practice.

UNIT-2

Q1. Attitude.

Ans :

a hypothetical construct that represents an individual's like or dislike for an item; mental position relative to a way of thinking or being. The current popular usage of attitude implies a negative mindset, a "chip on the shoulder" behavior, and an inner anger toward the prevailing majority of thought. Emotion: a feeling that is private and subjective; a state of psychological arousal an expression or display of distinctive somatic and autonomic responses.

Q2. Perception.

Ans :

The cognitive process meant for interpreting the environmental stimuli in a meaningful way is referred to as perception. Every individual on the basis of his/he reference can organize and interpret environmental stimuli. There are many factors that influence the perception of an individual. The study of perception plays important role for the managers. It is important for managers to create the favorable work environment so that employees perceive them in most favorable way. The employees are likely to perform better if they are going to perceive it in a positive way.

Q3. Personality.

Ans :

Personality can be defined as the study of the characteristics and distinctive traits of an individual, the inter-relations between them and the way in which a person responds and adjusts to other people and situations. The several factors that influence the personality of an individual are heredity, family, society, culture and situation. It implies to the fact that individuals differ in their manner while responding to the organizational environment.

Q4. Learning Theories.

Ans :

Learning can be defined as the process leading to relatively permanent behavioral change or potential behavioral change. In other words, as we learn, we alter the way we perceive our environment, the way we interpret the incoming stimuli, and therefore

SHORT QUESTION AND ANSWERS

the way we interact, or behave. John B. Watson (1878-1958) was the first to study how the process of learning affects our behavior, and he formed the school of thought known as Behaviorism.

The central idea behind behaviorism is that only observable behaviors are worthy of research since other abstraction such as a person's mood or thoughts are too subjective. This belief was dominant in psychological research in the United States for 50 years.

Q5. Behaviourism.

Ans :

The behaviourist perspectives of learning originated in the early 1900s, and became dominant in early 20th century. The basic idea of behaviourism is that learning consists of a change in behaviour due to the acquisition, reinforcement and application of associations between stimuli from the environment and observable responses of the individual. Behaviourists are interested in measurable changes in behaviour. Thorndike, one major behaviourist theorist, put forward that (1) a response to a stimulus is reinforced when followed by a positive rewarding effect, and (2) a response to a stimulus becomes stronger by exercise and repetition. This view of learning is akin to the "drill-and-practice" programmes. Skinner, another influential behaviourist, proposed his variant of behaviourism called "operant conditioning".

Q6. Constructivism.

Ans :

Constructivism emerged in the 1970s and 1980s, giving rise to the idea that learners are not passive recipients of information, but that they actively construct their knowledge in interaction with the environment and through the reorganization of their mental structures. Learners are therefore viewed as sense-makers, not simply recording given information but interpreting it. This view of learning led to the shift from the "knowledge-acquisition" to "knowledge-construction".

Q7. Characteristics of the Perceiver (Internal Factors).

Ans :

- (i) **Needs and Motives :** People's perception is determined by their inner needs. A need is a feeling of tension or discomfort when one thinks he is missing something or requires something. People with different needs usually experience different stimuli. Similarly people with different needs select different items to remember or respond to.

- (ii) **Self Concept** : The way a person views the world depends a greatly on self-concept or image he has about himself. The self-concept plays an important role in perceptual selectivity.
 - (iii) **Beliefs** : A person's beliefs have profound influence on his perception. Thus, a fact is conceived not on what it is but what a person believes it to be.
 - (iv) **Past Experience** : A person's past experiences mould the way he perceives the current situations. If a person has been betrayed by a couple of friends in the past, he would tend to distrust any new friendship that he might be in the process of developing.
 - (v) **Current Psychological State** : The emotional and psychological states of an individual are likely to influence how things are perceived. If a person is depressed, he is likely to perceive the same situation differently than if he is elated.
 - (vi) **Expectations** : Expectations affect what a person perceives.
-

Q8. Job Satisfaction.

Ans :

Job satisfaction refers to an individual's general towards his job. Job satisfaction or job dissatisfaction is the result of various attitudes the person holds towards his job related factors, and towards life in general. Blum defines job satisfaction as a general attitude which a worker has as a consequence of several specific attitudes in the following three areas : specific job factors, individual adjustment, and group relationships out-side the job.

Q9. Job Involvement.

Ans :

Job involvement re-fers to the extent to which an individual identifies with his job, actively participates in it, and considers his performance important to self-worth. An individual with a high level of job involvement is likely to be highly sat-isfied, more productive and less prone to leave the work than the one with low level of job involvement.

Q10.Importance to Organisations.

Ans :

- i) Accomplish complex, independent tasks that are beyond individual capabilities.
- ii) Creates new ideas.
- iii) Coordinates interdepartmental efforts.

SHORT QUESTION AND ANSWERS

- iv) Reduces the complexity of problems and solves them easily.
 - v) Implements action plans effectively.
 - vi) Socialises and provides training to new employees.
 - vii) Sets common social values and expectations in tune with organisational culture.
 - viii) Provides and enforces guidelines for appropriate behaviour.
 - ix) Provides a sense of identity that includes a certain degree of status.
 - x) Integrates new employees with organisational expectations.
-

Q11. Leadership and Structure.

Ans :

Leadership and Structure Teams can't function if they can't agree on who is to do what and ensure all members share the workload. Agreeing on the specifics of work and how they fit together to integrate individual skills requires leadership and structure, either from management or from the team members themselves. It's true in self-managed teams that team members absorb many of the duties typically assumed by managers. However, a manager's job then becomes managing outside (rather than inside) the team.

Q12. Performance Evaluation and Reward Systems.

Ans :

How do you get team members to be both individually and jointly accountable? Individual performance evaluations and incentives may interfere with the development of high-performance teams. So in addition to evaluating and rewarding employees for their individual contributions, management should modify the traditional, individually oriented evaluation and reward system to reflect team performance. Group-based appraisals, profit sharing, gainsharing, small group incentives, and other system modifications can reinforce team effort and commitment.

Q13. Conflict Levels.

Ans :

The way conflicts are resolved can also make the difference between effective and ineffective teams. A study of ongoing comments made by 37 autonomous work groups showed that effective teams resolved conflicts by explicitly discussing the issues, whereas ineffective teams had conflicts focused more on personalities and the way things were said.

Q14. Cohesiveness.

Ans :

Cohesiveness refers to the closeness among group members. Some groups seem to have a certain atmosphere of intimacy or common attitudes, behaviour and performance that is lacking in other groups. Group cohesiveness is generally regarded as characteristic of the group in which the factors acting on the group members to remain and participate in the group are greater than those acting on members to leave it.

Q15. Decision Making.

Ans :

Decision making is the process whereby a final choice is made among the different alternative courses of action that are available for solving complex problems. Group members with heterogeneous characteristics come together, understand the problems in a better way and hence develop creative alternatives leading to effective group decision making. When the issues to be decided are complex, and require varied skills, knowledge base, expertise and experience for generating the required solutions, group decision-making is very useful.

UNIT-3

Q1. Definitions of Motivation.

Ans :

“It is the core of management which shows that every human being gives him a sense of worth in face-to-face groups which are most important to him. A supervisor should strive to treat individuals with dignity and recognition of their personal worth.”

– Likert

“Motivation is the willingness to exert high levels of effort toward organizational goals, conditioned by the effort and ability to satisfy some individual need.”

– S. P. Robbins

“Motivation refers to the way in which urges, drives, desires, aspirations, strivings or needs direct, control or explain the behavior of human beings.”

Q2. Incentives.

Ans :

Anything that can mitigate a need and decrease the intensity of a drive is called an incentive. When a person obtains the incentive, the strength of that drive is reduced and physiological or psychological balance is restored. For example, eating food, drinking water, or finding friends reduces the corresponding drives and helps in achieving balance. Here food, water and friends are the incentives.

Q3. Maslow.

Ans :

There are two types of needs—Basic and Secondary or acquired. Basic needs are important for survival whereas acquired needs are not so important. We know various needs are felt by a man but do not know about their preferential order. A. H. Maslow solved this problem and presented a theory on priority order of needs. Some important propositions of Maslow’s need priority model are as under:

- 1) Man is wanting animal.
- 2) A satisfied need is no longer a motivator, and
- 3) Needs have hierarchy of importance.

Need Hierarchy : Maslow has presented the hierarchy of needs in the following order.

Q4. Herzberg.

Ans :

Herzberg has developed a motivation theory known as motivation hygiene theory or two-factor theory of motivation. For this purpose, he conducted a study and interviewed some 200 engineers and accountants and asked them to think of a time when they felt good at their jobs and a time when they felt bad at their job and then to describe condition which led to such feelings.

Q5. Goal Theory.

Ans :

Another theory usually considered under the heading of motivation to work is goal theory, or the theory of goal- setting. This theory is based mainly on the work of Locke.

The basic premise of goal theory is that people's goals or intentions play an important part in determining behaviour. Locke accepts the importance of perceived value, as indicated in expectancy theories of motivation, and suggests that these values give rise to the experience of emotions and desires. People strive to achieve goals in order to satisfy their emotions and desires.

Q6. Goal-setting and Performance.

Ans :

The combination of goal difficulty and the extent of the person's commitment to achieving the goal regulates the level of effort expended. People with specific quantitative goals, such as a defined level of performance, or a given deadline for completion of a task, will perform better than people with no set goal or only a vague goal such as do the best you can. People who have difficult goals will perform better than people with easier goals.

Q7. Porter-Lawler Model.

Ans :

Porter and Lawler proposed a multivariate model to explain the complex relationship that exists between job attitudes and job performance. This model encounters some of the simplistic traditional assumptions made about the positive relationship between satisfaction and performance. "The emphasis in expectancy theory on rationality and expectations seems to us to describe best the kinds of cognition that influence managerial performance. Managers operate on the basis of some sort of expectancies which, although based upon previous experience, are forward- oriented in a way that does not seem to be as easily handled by the concept of habit strength".

Q8. Satisfaction.

Ans :

If actual rewards meet or exceed perceived equitable rewards, the individual will feel satisfied. But if the actual rewards do not meet the perceived reward then he will be dissatisfied.

- ♦ Satisfaction is only in part determined by actual rewards.
- ♦ Satisfaction is more dependent on performance than performance is on satisfaction.

Q9. Factors Affecting Morale.

Ans :

The employee morale is a very complex phenomenon and is influenced by many factors. Different authors like McFarland, Bradshaw and Krugman, Roach and Applewhite name given different criterion for the determination of morale.

On the basis of all these classifications, the important factors in the determination of levels of morale are as describe below :

1. The Organization
2. The Nature of Work
3. The Level of Satisfaction
4. The Level of Supervision
5. Concept of Self
6. Worker's Perception of Rewards System

Q10. Characteristics of Organizational Culture.

Ans :

The important characteristics of organisational culture are,

- a) **behavioural Regularities** - When organisational members interact with one another, they use common terminology, language and rituals related to respect and behaviour.
- b) **Norms** - These include behavioural standards including guidelines on how much to work.
- c) **Values** - Every organisation advocates and expects its employees to share. Some examples are high product quality, low absenteeism and high efficiency.
- d) **Philosophies** - These are some policies that an organisation believes as how to treat its customers and/or employees.
- e) **Rules** - There are some guidelines to get along in the organisation. New employees should learn them to be treated as a member of the organisation.

UNIT-4

Q1. Definition of Power.

Ans :

“Power is the probability that one actor within the relationship will be in a position to carry out his own will despite resistance.”

– Max Weber

“Power is the ability to influence flows of the available resources towards certain goals as opposed to other goals. Power is assumed to be exercised only when these goals are at least partially in conflict with each other.”

– Nord

“Power refers to a capacity that A has to influence the behaviour of B. So that B does something he or she would not otherwise do.”

Q2. Contrasting Leadership and Power.

Ans :

Essentially, leaders achieve goals, and power is a means of facilitating their achievement.

- Leadership involves the goals of the leaders and followers - Power does not
 - Leadership focuses on downward influence (leader - subordinate) - Power does not.
-

Q3. Dependency.

Ans :

The study of power is incomplete without understanding the role of ‘dependency’ in the process of application of power. When a person is dependent on another for a certain thing, then the other person is said to have power over him/her. The extent of ‘dependency’ is inversely proportionate to the availability of substitute sources. The level of dependency depends upon the importance, scarcity, and non-substitutability of the resource controlled by a person.

Q4. Scarcity.

Ans :

The dependency levels of individuals on people who control scarce resources is higher. For instance, when the demand for employees possessing certain skills is more than their supply, then they are paid much higher salaries than other employees.

Q5. Organisational Factors.

Ans :

There are some of the organisational factors that influence the individuals to play politics in the organisations. These factors are as follows :

1. Limited Resources in the organisation.
 2. Interpretation of limited resources.
 3. Uncertainty in decision - making.
 4. Performance evaluation.
 5. High Performance pressure.
 6. Decision - making culture.
 7. Affecting lower level persons.
-

Q6. Organizational Culture.

Ans :

Organization culture gets created from the values of the founder, top management, selection criterion and socialization process of an employee in the organization. The founder and especially top management should discourage all the behaviour which is not demanded by the organizational duties and which do not contribute to the organizational performance.

Q7. Individual Factors.

Ans :

Factors contributing to the political behaviour at the individual level are:

- **High self-monitors:** Skilled in political behaviour.
- **Internal Locus of Control:** Proactive and prone to manipulate situation in their favour.
- **High Machiavellian Personality:** Will to manipulate and desire for power. Use politics to further self interest.
- **Investment in Organisation:** Investment in terms of expectations force the individual to use illegitimate means.
- **Perceived Job Alternatives:** More job opportunities an individual has results in more political behaviour.

Q8. Organisation Politics.

Ans :

Organisational politics is the rivalry between competing interest groups or individuals for power, authority and leadership. The means often used include: influence attempts, power tactics, informal behaviour, and concealing one's motives. This can result in: self-serving behaviour, acting against the interests of the company, securing valuable resources, and attaining power.

Q9. Conflict.

Ans :

Conflict is feeling of disagreement among parties. It occurs when groups in the organization disagree over significant issues. A conflict has both positive and negative characteristics.

In particular, conflicts frequently occur when a person or a group believes that, its attempts to achieve its goals are being blocked by another person or group. It may also result from anticipating trouble.

Conflict is often considered as harmful. Besides, it is advantageous in some situations. Some organizations, mainly profit centered ones, believe that conflict is dysfunctional. Many of the nonprofit organizations consider conflict as beneficial and conducive to higher quality decision-making. They believe that non-presence of conflict can lead to laziness.

Q10.Reasons for Conflict.

Ans :

Difference in Goals

One of the reason for a conflict to occur is difference in the goals of two individuals, both of them may be in conflict due to such difference. For example. One persons goal is to maximize the sales of a product whereas the other person may have different goal of improving the quality of the product. This leads to conflict among them.

1. Situational Conflict.
2. Interest of Members
3. Limited Resources
4. Power of Position

Q11.Measures to Manage Conflicts Effectively.

Ans :

In conflict management, the study of the conflict style is also important, as it helps to arrive at a solution. Some measures to manage conflicts are,

1. Goals and Objectives Should be Clear.
 2. Solving Problem through Open Discussion.
 3. Non - monetary Awards.
 4. Development of Skills.
 5. Group Activities.
 6. Authoritative Command.
 7. Organizational Processes.
 8. Socio-technical Approach.
-

Q12.Managing Conflict.

Ans :

Conflict is inevitable in any interpersonal relationship and can be a very positive experience, if managed properly. Why do we shy away from dealing with conflict? Many of us were raised to believe that conflict is something to be avoided, and is an experience of failure. However, conflict doesn't have to lead to failure, defeat, separation or termination of individual relationships. We all come to see the world in different ways, and we have different ideas about what's best for us and what's best for our group. It is actually a signal that change is needed and possible.

Q13.Communication.

Ans :

Communication is a pivotal element in any organizational setting. It serves as a common thread for management processes. As the nervous system to a body, communication is an integrating system of an organization. Adding to this, one of the writer described communication as the lifeblood to an organization. This identifies that no organization can think of its existence without effective communication.

Q14. Definition of Communication.

Ans :

- i) "Communication is the process of passing information and understanding from one person to another".

- Keith Davis

- ii) "Communication is the transfer of information from one person to another person. It is a way of reaching others by transmitting ideas, facts, thoughts, feelings and values".

- Newstrom and Davis

In organizational context,

- i) "Communication is an intercourse by words, letters, symbols or messages and is a way that one organization member shares meanings and understandings with another".

Q15. Advantages of Informal Communications.

Ans :

1. The information is passed very quickly.
2. There is no channel of command. It promotes sound co-operation among the employees.
3. It performs a positive service to the organisation.
4. It also satisfies the communication needs of the various persons in the organisation.
5. It helps greatly when the existing formal communication is inadequate or insufficient.

UNIT-5

Q1. Definition of Leadership.

Ans :

“Leadership is a process of influencing people to direct their efforts towards the attainment of some particular goal or goals.”

“Leadership is the ability to get other people to do what they don’t want to do and like it”.

– Harry Truman

“Leadership is the ability of a superior to influence the behavior of his subordinates and persuade them to follow a particular course of action.”

– Chester Barnard

“Leadership is the ability of a manager to induce subordinates to work with confidence and zeal.”

– Koontz and O’Donnell

“Leadership is the activity of influencing people to strive willingly for mutual objectives.”

Q2. Characteristics of Leadership.

Ans :

An analysis of the above definitions of leadership reveals that it has the following characteristics:

- i) Leadership is a process of influence.
 - ii) Leadership is related to a situation.
 - iii) Leadership is the function of stimulation.
 - iv) Leadership gives an experience of helping attain the common objectives.
 - v) Employees must be satisfied with the type of leadership provided.
-

Q3. Management.

Ans :

Management is the art of getting things done through and with the people in formally organized group. Management is the process of designing and maintaining an environment in which individuals, working together in groups, efficiently accomplish selected aims.

Management is that function of an enterprise which concerns itself with the direction and control of the various activities to attain the business objectives.

- **William Spriegel**

Management is the planning, organizing command, coordination and control of the technical, financial security and accounting activities.

Q4. Relationship among Resources.

Ans :

Organized activities meant to achieve common goals are brought about to establish certain relationships among the available resources. Resources include money, machine, materials and men. The essence of management is integration of various organizational resources. Thus management is concerned with the proper utilisation of human resources which, in turn utilise other resources.

Q5. Objectives of Management.

Ans :

Objectives are described as the results to be achieved by an organization. Managerial objectives maybe defined as the goals which are predetermined, which have a defined scope and the methodologies that suggest direction to the efforts of managerial personnel.

In order to achieve the managerial objective the management should clearly define and effectively communicate these objectives to all the concerned people. The objectives should be formulated in such a way that they are attainable with the available resources as the objectives reflect or determine the ultimate goals of the organization.

Q6. Customer Satisfaction.

Ans :

The consumer should be provided with good quality products at reasonable prices. The aspirations and perceptions of the customers have to be given prime importance as the business is meant for consumers and their satisfaction should be the main objective of the business. So responsibility to consumers means that we have to set up and maintain the quality and service in addition to lower price tag.

Q7. Controlling.

Ans :

Controlling consists of making the results tally with targets or achieving close correspondence between plans and performance. The process of measuring the current

SHORT QUESTION AND ANSWERS

performance of the employees and assess whether the ,given objectives are achieved or not.,

The various steps in controlling includes,

- a) Establishment of standard works.
- b) Assessment of actual work.
- c) Determination of deviation.
- d) Corrective action.

Q8. Leadership Styles.

Ans :

The styles are patterns of behaviour which a leader adopts in influencing the behaviour of his followers (Sub-ordinates) in the organisation.

There are many dimensions of leadership styles.

Power dimensions where superior uses varying degree of authority.

Orientation : Employee oriented or Task oriented.

Motivational: Where superior affects the behavior of his subor-dinates either by giving a reward or by imposing a penalty.

- 1. Autocratic - Participative - Free - rein leadership :
 - 1. Autocratic leadership
 - 2. Participative leadership
 - 3. Free-rein leadership

Q9. Traits Theories.

Ans :

Earlier researchers believed that there were certain unique characteristics in people that made them leaders. They concentrated their research on the traits of leaders. According to them, a person must possess certain unique personality traits that are essential for effective leadership.

One of the traits theories of leadership, the 'great person' theory, suggested that the personality traits necessary to become an effective leader could be acquired through training and experience.

Q10. Production-oriented dimension.

Ans :

In contrast, the production-oriented dimension concentrates on productivity rather than on employees. Leaders who score high on this dimension considered employees only as a means to achieve goals.

Researchers concluded that leaders with an inclination toward the employee-oriented dimension resulted in higher job satisfaction (in employees) and higher group productivity.

Choose the Correct Answers

UNIT-1

1. Which of the following prefers to a person's feeling and satisfaction of Job. [c]
(a) Job description (b) Job design
(c) Job satisfacton (d) None of the above
2. OB Refers to. [b]
(a) Organization Building (b) Organization Behaviour
(c) Organization Base (d) None of the above
3. The father of scientific management was. [a]
(a) Frederick Taylor (b) Henri Fayol
(c) Elton Mayo (d) Chester Barnard
4. Hawthorne studies experimend is done by . [c]
(a) Frederick Taylor (b) Henri Fayol
(c) Elton Mayo (d) Chester Barnard
5. 14-Management principles was proposed by. [b]
(a) Frederic Taylor (b) Henri Fayal
(c) Elton Mayo (d) Chester Barnard
6. _____ is orderly arrangement of group efforts. [a]
(a) Co-ordination (b) Co- relation
(c) Understanding (d) All the above
7. _____ should be maintained in respect of instrument and tool period of work. [b]
(a) Economy (b) Standardization
(c) Intencity (d) Non of the above
8. _____ is concerned functioning of the organization. [b]
(a) Unity of command (b) Unity of direction
(c) Unity in divercity (d) All the above
9. Centralization refedred by. [a]
(a) Fayol (b) Taylor
(c) Elton Mayo (d) None
10. _____ is Most important aspect of Managerial function. [a]
(a) Leadership (b) Communication
(c) Supervision (d) None

CHOOSE THE CORRECT ANSWERS

UNIT-2

1. Behaviour is the pattern of how a person response to a stimulus. [c]
(a) Individual behaviour (b) Group behaviour
(c) Normal behaviour (d) All the above
2. Hypothetical construct that represents an individuals. [a]
(a) Attitude (b) Innocent
(c) Intelligence (d) Performance
3. A physical capacity of an individual. [a]
(a) Ability (b) Skill
(c) Knowledge (d) All the above
4. Psychological characteristic of human being. [a]
(a) Personality (b) Person
(c) Public (d) None
5. Individual who give preference to group interest. [a]
(a) Agreeableness (b) Acceptance
(c) Association (d) None of the above
6. _____ is a process consist of several sub processes. [a]
(a) Perception (b) Personality
(c) Person (d) All the above
7. _____ is one of the more sophisticated forms of perceptual organisation. [a]
(a) Constancy (b) Continuity
(c) Consistency (d) None
8. _____ refers an individual general towards his job. [a]
(a) Jobsatisfaction (b) Job dissatisfaction
(c) Both A & B (d) None of the Above
9. _____ develop in the process need satisfaction. [a]
(a) Attitude (b) Performance
(c) Probability (d) All the above
10. A _____ is two or more people who work together for a common purpose. [b]
(a) Individual (b) Group
(c) A & B (d) None

UNIT - 3

1. Competitive techniques that set one organization apart from others organization is known as [d]
(a) Goal (b) Mission
(b) Vission (d) Strategy
2. Design goal at adhocracy stage is of [c]
(a) Efficiency (b) Quality
(c) Innovation (d) Mass production
3. _____ is derived from the word motive [a]
(a) Motivation (b) Motivating
(c) Both (d) None
4. _____ is the perquist pad by an organisation [d]
(a) Incentives (b) Bonus
(c) Commission (d) All the above
5. The hierarchy theory was proposed by [a]
(a) Maslow (b) Eltonmayo
(c) Taylor (d) Adam smith
6. A person need for _____ can be personal and institutional [a]
(a) Power (b) Position
(c) Occupation (d) All the above
7. Equity theory was proposed by [d]
(a) Maslow (b) Eltojnmayo
(c) Taylor (d) Adam
8. VROOM Expectancy theory is based on _____ [a]
(a) Motivation process (b) Percepttion
(c) Human behaviour (d) All the above
9. _____ and _____ proposed a multivariate model [a]
(a) Porter and lawler (b) Porter and john
(c) John and lawler (d) None
10. _____ is only in part determined as actual reward [a]
(a) Satisfaction (b) Dissatisfaction
(c) Both (d) None

CHOOSE THE CORRECT ANSWERS

UNIT - 4

1. _____ involves the goals of the leaders & followers [a]
(a) Leadership (b) Politician
(c) Hierachy (d) None
2. The development levels of individuals on people who control _____ resources is higher [a]
(a) Scarce (b) Sufficient
(c) Normal (d) None
3. Organisation has _____ resources [d]
(a) Scarce (b) limited
(c) Less (d) All the above
4. _____ is influencing factor in an organisation [a]
(a) Management (b) Leader
(c) Managers (d) None
5. _____ yets created from the values of the under top management selection criterion and socialisation process of an employee in an organisation [a]
(a) Organisation culture (b) Organisational behaviour
(c) Organisational communications (d) None
6. Power end politics enable the individual to perform _____ [a]
(a) Team work (b) Team spirit
(c) Individualness (d) None
7. _____ is a rivalry between competing interesting group or individual [a]
(a) Organisational politics (b) Leadership
(c) Individualness (d) None
8. _____ is feeling of disgreement among parties
(a) Conflict (b) Contigency
(c) Attributes (d) All the above
9. Management by exlerlising its power can be called as [a]
(a) Authority (b) Power
(c) Culture (d) Society
10. _____ involves transfer of information [a]
(a) Communication (b) Scripting
(c) Both (d) None

UNIT - 5

1. A person knowledge and ability to make effective use is called _____ [a]
(a) Technical skill (b) Human skill
(c) Management (d) None
2. _____ should be provided with best quality at a reasonable price [a]
(a) Consumer (b) Seller
(c) Manufacturer (d) None
3. New ideas are developed by management and implemented in the organisation is called as [a]
(a) Innovation (b) Stability
(c) Degradation (d) None
4. _____ Consists of making the result tally with targets are achieving [a]
(a) Controlling (b) Consulting
(c) Constructing (d) None
5. _____ Normally focuses on work and task's [a]
(a) Management (b) Managers
(c) Subordinates (d) None
6. Fielder contingency was proposed by [a]
(a) Fred fielder (b) Elton mayo
(c) Taylor (d) None
7. _____ Changes involves unexpected or sudden changes in organisational strategy [a]
(a) Reductionary (b) Operational
(c) Fundamental (d) None
8. OD stands for [a]
(a) Organisational development (b) ODD development
(c) Both a & b (d) None
9. _____ is last stage of communication [a]
(a) Feedback (b) Response
(c) Development (d) None
10. _____ is the activity of influencing people to strive willingly for mutual objectives [a]
(a) Leadership (b) Attitude
(c) Acceptance (d) None

Fill in the blanks

UNIT-1

1. _____ is the structure or mechanism that enables living things to work together.
2. _____ organisation is usually delineated by an organisational chart and Job description.
3. _____ organisation is set of evolving relationship and pattern of human interaction with is an organisation which are not officially presented.
4. _____ diversity addresses differences among people within given countries.
5. _____ represent relevant concept and theories that can help a manager to predict and explain the behaviour of people at work.
6. _____ refers to selecting the right objectives and goals depending up on the environmental and social goals.
7. _____ is the study of the way people interact within group.
8. _____ involves selecting missions and objectives and the acting to achieve them.
9. _____ predict the future behaviour of Employees.
10. _____ is formulating the philosophy and coordinating the job tasks.

ANSWERS

1. Organisation
2. Formal
3. Informal
4. Workforce
5. Organisational behaviour
6. Organisational effectiveness
7. Organisational behaviour
8. Planning
9. Organisational Behaviour (OB)
10. Organisational Design

UNIT-2

1. _____ is a hypothetical construct that represent an individual's like or dislike for an item.
2. The physical capacity of an individual to do something can be termed as _____ .
3. _____ can be defined as the ability to act in a way that allows a person to perform well.
4. _____ can be defined as a tendency to. respond favourably or unfavourably to certain, object, persons of situations.
5. _____ can be defined as the study of the characteristics and distinctive traits of an individual.
6. _____ can be defined as the process of. Leading to relatively permanent behavioral change.
7. _____ affect what a person percieves.
8. _____ refers to an individual. General towards his job.
9. _____ is the process where by a final choice is made among the different alternative courses of action.
10. _____ also can influnce the effectiveness of performance of members.

ANSWERS

1. Attitude
2. Ability
3. Skill
4. Altitude
5. Personality
6. Learning
7. Expectations
8. Job satisfaction
9. Decision Making
10. Rewards

FILL IN THE BLANKS

UNIT - 3

1. Motivation is derived from the word _____
2. _____ propel individual to attain their goals Dr satisfy their needs
3. _____ has developed a motivation theory known as motivation hygiene theory
4. _____ proposed that an individuals specific needs are acquired over time and are shaped by one's experiences
5. _____ reflects the attitude of employees towards their work.
6. _____ is the process by which an individual develops into a functioning member.
7. _____ form an important pasr of organization.
8. _____ also help the organization to gain good reputation.
9. _____ is the projection about what should be done in future
10. _____ received by an employer has a tremendous influnce on his morale

ANSWERS

1. Motive
2. Drives (or) Motives
3. Herzberz
4. David McClelland
5. Morale
6. Socialism
7. Ethics
8. Ethical values
9. Vision
10. Level of supervision

UNIT-4

1. _____ is the probability that one actor within the relationship will be in a position to carry out his will despite resistance.
2. _____ involves the goals of the leader and followers
3. _____ focuses on downward influence
4. _____ is conveyed through fear of losing one's job.
5. _____ is conveyed through reward in individual for compliance with one's wishes
6. _____ comes from having a position of power in an organization.
7. _____ comes from one's experience skills or knowledge.
8. The dependency level of individual on people who control. _____resources is higher
9. _____ typically have limited resources.
10. Leader should get his position in organization strictly on basis of his _____

ANSWERS

1. Power
2. Leadership
3. Leadership
4. Coercive power
5. Reward power
6. Legitimate
7. Expert power
8. Scarcity
9. Organization
10. Performance

FILL IN THE BLANKS

UNIT-5

1. _____ is the factor that helps individuals and groups.
2. _____ is the process of organized activities.
3. _____ is the process by which a cooperative group direct action towards common goal.
4. _____ refers to providing of good quality products at reasonable prices.
5. _____ is the opposite of random action.
6. _____ is the support functions and resources.
7. _____ is defined as mental and emotional involvement of a person in a group.
8. Behaviour model is also called as _____
9. _____ is applicable to the case of interdependence.
10. _____ consists of guiding and supervising the subordinates in activities.

ANSWERS

1. Leadership
2. Management
3. Management
4. Customer satisfaction
5. Planning
6. Organising
7. Participation
8. Managerial grid
9. Team building
10. Directing

FACULTY OF COMMERCE
M.Com. I - Semester Examination
January - 2018
ORGANISATION THEORY AND BEHAVIOUR

Time : 3 Hours]

[Max. Marks : 80

Note: Answer all the questions from Part - A and Part - B. Each question carries 4 marks in Part - A and 12 marks in Part - B.

SECTION - A (5 × 4 = 20)

1. Fundamental concepts of organisational behaviour.
2. Group cohesiveness.
3. Factors influencing morale.
4. Significance of communication in an organisation.
5. Contemporary issues in change.

SECTION - B (5 × 12 = 60)

Note: Answer all the questions by using internal choice in not exceeding 4 pages each.

6. (a) Describe the contingency approach to organisation theory.

OR

- (b) Explain the contributing disciplines to the field of organisation behavior.

7. (a) Attitudes once formed, they cannot be changed. Comment.

OR

- (b) Explain the stages of group development.

8. (a) Critically examine McClelland's theory of motivation in what way this theory is different from Maslow's theory.

OR

- (b) What is organisational culture? Discuss how organisational culture can be developed.

ORGANISATION THEORY AND BEHAVIOUR

9. (a) Explain the process of communication in an organisation.

OR

- (b) How do you manage conflict in organisations.

10. (a) Do you think that democratic style of leadership is the best leadership? Discuss.

OR

- (b) Explain the external forces driving change in organization with suitable examples.

FACULTY OF COMMERCE
M.Com. I - Semester Examination
ORGANIZATION THEORY AND BEHAVIOUR

Time : 3 Hours]

Solutions to June - 2016

[Max. Marks : 80

Note : Answer all the questions in not more than one page each.

SECTION - A ($5 \times 4 = 20$)

Note: Answer all the Questions in not More than one page each

1. Systems approach

Ans :

Refer to Unit-I, Topic No. 1.1.24

2. Perception

Ans :

Refer to Unit-II, Topic No. 2.2.2

3. Grapevine Communication

Ans :

Refer to Unit-IV, Topic No. 4.3.4

4. Types of needs as per Need's hierarchy

Ans :

Refer to Unit-III, Topic No. 3.2.1

5. Managerial Grid

Ans :

Refer to Unit-V, Topic No. 5.2.2

SECTION - B ($5 \times 12 = 60$)

Note: Answer all the questions by using internal choice in not exceeding 4 pages each

6. (a) Distinguish between classical and neo-classical theories of organization.

Ans :

Refer to Unit-I, Topic No. 1.1.6, 1.1.12

OR

(b) Define organizational behavior and also explain the fundamental concepts of OB.

Ans :

Refer to Unit-I, Topic No. 1.2, 1.2.4

7. (a) Define Personality. Describe the determinants of personality.

Ans :

Refer to Unit-II, Topic No. 2.1.3, 2.1.4

OR

(b) Explain the characteristics of effective and high performance teams.

Ans :

Refer to Unit-II, Topic No. 2.5.4

8. (a) Write a critical note on Vroom's expectancy theory of motivation.

Ans :

Refer to Unit-III, Topic No. 3.3.3

OR

(b) Explain various dimensions of organizational culture that is witnessed in the modern organizations.

Ans :

Refer to Unit-III, Topic No. 3.6.1, 3.6.2

9. (a) Discuss the major factors that influence the organizational politics.

Ans :

Refer to Unit-IV, Topic No. 4.1.10

OR

(b) Describe functional and dysfunctional sides of organizational conflicts.

Ans :

Refer to Unit-IV, Topic No. 4.2.6

10. (a) Write a critical analysis on the Feilder model of leadership.

Ans :

Refer to Unit-V, Topic No. 5.2

OR

(b) Why people resist for change? Suggest measures for effective implementation of change among the Indian work-force.

Ans :

Refer to Unit-V, Topic No. 5.3.1, 5.3.2

FACULTY OF COMMERCE
M.Com. I - Semester Examination
ORGANIZATION THEORY AND BEHAVIOUR

Time : 3 Hours]

Solutions to December - 2015

[Max. Marks : 80

Note : Answer all the questions in not more than one page each.

SECTION - A (5 × 4 = 20)

1. Pillars of classical theory

Ans :

Refer to Unit-I, Topic : 1.1.9

2. Personality

Ans :

Refer to Unit-II, Topic : 2.1.2

3. Define Motivation and explain types of motivation

Ans :

Refer to Unit-III, Topic : 3.1

4. Types of Power

Ans :

Refer to Unit-IV, Topic : 4.1.3

5. Leadership and Management

Ans :

Refer to Unit-V, Topic : 5.1.11

SECTION - B (5 × 12 = 60)

6. (a) Explain the contribution of neoclassical theories in understanding the modern organizations.

Ans :

Refer to Unit-I, Topic : 1.1.12, 1.1.13

OR

(b) **“Organizational Behaviour is an interdisciplinary subject”. Explain.**

Ans :

Refer to Unit-I, Topic : 1.2.7

7. (a) Define perception and also explain the process involved in it.

Ans :

Refer to Unit-II, Topic : 2.2.2

OR

(b) **What is Group cohesiveness? Discuss the factors influencing Group cohesiveness.**

Ans :

Refer to Unit-II, Topic : 2.6, 2.6.1

8. (a) Explain Herzberg’s two factor theory and differentiate it from Maslow’s need theory of motivation.

Ans :

Refer to Unit-III, Topic : 3.2.2, 3.2.3

OR

(b) **Define organizational culture. Discuss how culture can be created and sustained.**

Ans :

Refer to Unit-III, Topic : 3.6, 3.6.3, 3.6.4

9. (a) Describe different types of conflicts that normally arise in modern organizations. Suggest suitable measures to resolve inter group conflicts.

Ans :

Refer to Unit-IV, Topic : 4.2.6, 4.2.9

OR

- (b) List out various barriers to effective communication. What measures would you suggest to overcome them?**

Ans :

Refer to Unit-IV, Topic : 4.3.5, 4.3.6

- 10. (a) What are different leadership styles? Which style is best suited for effective management of Indian organizations.**

Ans :

Refer to Unit-V, Topic : 5.1.12.1, 5.1.12.2, 5.1.12.3

OR

- (b) Enumerate different types of changes. Explain why change is resisted.**

Ans :

Refer to Unit-V, Topic : 5.3.1, 5.3.2

FACULTY OF COMMERCE
M.Com. I - Semester Examination
ORGANIZATION THEORY AND BEHAVIOUR

Time : 3 Hours]

Solutions to November / December - 2014

[Max. Marks : 80

Note : Answer all the questions in not more than one page each.

SECTION - A

(5 × 4 = 20)

1. Define organization Behaviour

Ans :

Refer to Unit - I, Topic No. 1.2.1

2. Functions of informal organisation.

Ans :

Refer to Unit - I, Topic No. 1.1.5.2

3. Participative Management.

Ans :

Participative (or participatory) management, otherwise known as employee involvement or participative decision making, encourages the involvement of stakeholders at all levels of an organization in the analysis of problems, development of strategies, and implementation of solutions. Employees are invited to share in the decision-making process of the firm by participating in activities such as setting goals, determining work schedules, and making suggestions.

Other forms of participative management include increasing the responsibility of employees (job enrichment); forming self-managed teams, quality circles, or quality-of-work-life committees; and soliciting survey feedback. Participative management, however, involves more than allowing employees to take part in making decisions. It also involves management treating the ideas and suggestions of employees with consideration and respect. The most extensive form of participative management is direct employee ownership of a company.

Four processes influence participation. These processes create employee involvement as they are pushed down to the lowest levels in an organization. The farther down these processes move, the higher the level of involvement by employees. The four processes include :

1. Information sharing, which is concerned with keeping employees informed about the economic status of the company.
2. Training, which involves raising the skill levels of employees and offering development opportunities that allow them to apply new skills to make effective decisions regarding the organization as a whole.
3. Employee decision making, which can take many forms, from determining work schedules to deciding on budgets or processes.
4. Rewards, which should be tied to suggestions and ideas as well as performance.

4. Group Dynamics.**Ans :**

A group can be defined as several individuals who come together to accomplish a particular task or goal. Group dynamics refers to the attitudinal and behavioral characteristics of a group. Group dynamics concern how groups form, their structure and process, and how they function. Group dynamics are relevant in both formal and informal groups of all types. In an organizational setting, groups are a very common organizational entity and the study of groups and group dynamics is an important area of study in organizational behavior

As applied to group development, group dynamics is concerned with why and how groups develop. There are several theories as to why groups develop. A classic theory, developed by George Homans, suggests that groups develop based on activities, interactions, and sentiments. Basically, the theory means that when individuals share common activities, they will have more interaction and will develop attitudes (positive or negative) toward each other. The major element in this theory is the interaction of the individuals involved.

Social exchange theory offers an alternative explanation for group development. According to this theory, individuals form relationships based on the implicit expectation of mutually beneficial exchanges based on trust and felt obligation. Thus, a perception that exchange relationships will be positive is essential if individuals are to be attracted to and affiliate with a group.

Social identity theory offers another explanation for group formation. Simply put, this theory suggests that individuals get a sense of identity and self-esteem based upon their membership in salient groups. The nature of the group may be demographically based, culturally based, or organizationally based. Individuals are motivated to belong to and contribute to identity groups because of the sense of belongingness and self-worth membership in the group imparts.

Group dynamics as related to development concerns not only why groups form but also how. The most common framework for examining the “how” of group formation was developed by Bruce Tuckman in the 1960s. In essence, the steps in group formation imply that groups do not usually perform at maximum effectiveness when they are first established. They encounter several stages of development as they strive to become productive and effective.

5. Nature of Motivation.

Ans :

Refer to Unit - III, Topic No. 3.1.1

SECTION - B

(5 × 12 = 60)

6. (a) Define the organizational Behaviour (OB) and discuss the nature.

Ans :

Refer to Unit - I, Topic No. 1.2.1, 1.2.2 and 1.2.3

(b) Explain Briefly scientific Management theory.

Ans :

Refer to Unit - I, Topic No. 1.1.8 and 1.1.9

7. (a) Explain the importance of groups, and impootheric of cohesiveness of groups.

Ans :

Refer to Unit - II, Page No. 79 and 94, Topic No. 2.4.1, Topic (E), 2.6.1

(b) How do theory - X and theory - Y after from one another ? List out the differences.

Ans :

Refer to Unit - I, Topic No. 1.1.18

8. (a) Define personality. What are the determinants of personality ? Enumerate the personality traits that managers require in modern organisation.

Ans :

Refer to Unit - II, Topic No. 2.1.2 and 2.1.4

(b) Explain the various managerial implications of perception.

Ans :

Refer to Unit - II, Topic No. 2.2.3, 2.2.4

9. (a) Explain the process of planning.

Ans :

Steps Involved in Planning Process

Planning is an endless process. The process is constantly modified to suit changes in environmental condition and changes in objectives and opportunities for the firm. As organisations differ in terms of their size and complexity, no single planning procedure is applicable to all organisations.

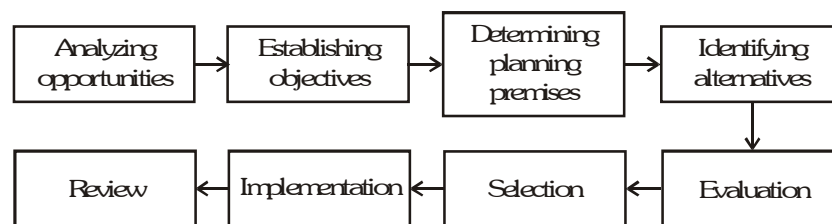


Fig.: The Basic Steps in the Planning Process

1. Analyzing Opportunities

Managers should be aware of the opportunities in the external environment, as well as those within the organisation. They should understand the firm's strengths and weaknesses and the ways in which they can utilize the firm's strengths to make the most of an opportunity. A thorough understanding of the opportunities available outside the business enterprise enables managers to set realistic objectives.

2. Establishing Objectives

Objectives specify the results expected from a particular course of action and define the areas that should receive special attention. In addition, objectives specify what should be achieved by the network of strategies, policies, procedures, rules, budgets and programs. Organisational objectives provide direction to the major plans. These plans help the various departments of an organisation prepare their objectives in line with the organisational objectives. Thus, there exists a hierarchy of objectives in an organisation.

Objectives must be stated clearly and must be established for all key areas where performance affects the well-being of the organisation. They should be specified in measurable terms like costs, targets or quality specifications.

3. Determining Planning Premises

After establishing organisational objectives, the next step is determining planning premises. Planning premises are assumptions about the environment in which the plan is to be carried out. They lay down the boundary or limitations within which plans are to be implemented.

Planning premises include both external and internal premises.

- i) External premises include social, economic, political and technological factors:
- ii) Internal premises include an organisation's policies, resources, ability to withstand environmental pressure, etc. Plans are formulated taking into account both external and internal premises.

According to the principle of planning premises, "The more thoroughly individuals charged with planning understand and agree to utilize consistent planning premises, the more coordinated enterprise planning will be."

4. Identifying Alternatives

Various alternative courses of action can be identified after establishing organizational objectives and planning premises. A particular objectives can be achieved through various actions. For instance, if expansion is an organization's objective, it can be achieved by expansion in the same field, or diversification, or amalgamation, or by introducing a new product variant in the market and so on. Thus, there are many ways of achieving the same goal.

5. Evaluating Available Alternative

After identifying alternative courses of action and examining their advantages and disadvantages, the next step is to evaluate the alternatives keeping in mind the goals of the organisation and the available resources. Each alternative may have some positive and negative aspects.

For instance, one alternative may be highly profitable but may require heavy investment and may have a long gestation period; another one may be less profitable but may also involve less risk. The use of planning and decision-making techniques, such as operations research, helps in the evaluation of alternatives.

6. Selecting the Most Appropriate Alternative

After carefully evaluating the alternative courses of action, the most appropriate one is selected. At this point, a decision is made about the course of action to be taken. Sometimes, after evaluating a few alternative courses of action, a planner may choose more than a single alternative, as two or more alternatives may seem advisable.

7. Implementing the Plan

A manager can implement the plans of a firm through the use of authority, persuasion or policy. Authority is a legitimate form of power that comes with the position and is not associated with a person. It is often sufficient to implement relatively simple plans that do not cause a significant change in the status quo. But a complex and comprehensive plan cannot be implemented through authority alone.

Persuasion is another tool used by managers for implemented their plans. Persuasion is “the process of selling a plan to those who must implement it, by communicating relevant information so that the individuals understand all the implications.” Thus, persuasion requires convincing others, so that the plan is accepted on the basis of its merits rather than on the authority of the manager.

8. Reviewing the Plan

Once a plan has been implemented, it has to be reviewed. A review helps managers to evaluate the plan and also identify deviations from the established course of action. It thus helps managers take the necessary corrective measures. At every stage of the review, the outcomes must be compared with the expected with the expected results. A periodic review of plans enables an organisation to update them in the light of changes in the business environment.

(b) How is an organization designed ? Explain.

Ans :

The manner in which a management achieves the right combination of differentiation and integration of the organization's operations, in response to the level of uncertainty in its external environment.

Differentiation refers to the subdivision of functional or departmental units, each concentrating on a particular aspect of the organization's operations. Integration refers to the linking of differentiated units to achieve unity of effort in working toward organization's goals. In times of high uncertainty, greater organizational effectiveness is achieved through high differentiation coupled with high integration. In times of low

uncertainty, low differentiation and low integration are more effective. See also organizational structure.

Six Key Elements in Organizational Design

Organizational design is engaged when managers develop or change an organization's structure. Organizational Design is a process that involves decisions about the following six key elements:

I) Work Specialization

Describes the degree to which tasks in an organization are divided into separate jobs. The main idea of this organizational design is that an entire job is not done by one individual. It is broken down into steps, and a different person completes each step. Individual employees specialize in doing part of an activity rather than the entire activity.

II) Departmentalization

It is the basis by which jobs are grouped together. For instance every organization has its own specific way of classifying and grouping work activities.

There are five common forms of departmentalization :

- 1. Functional Departmentalization.** As shown in the Figure 2-1, it groups jobs by functions performed. It can be used in all kinds of organizations; it depends on the goals each of them wants to achieve.

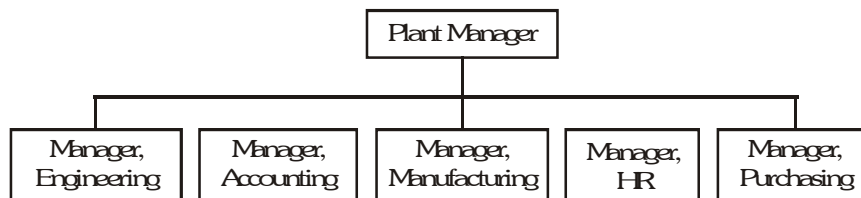


Figure : Functional Departmentalization example

Positive Aspects	Negative Aspects
<ul style="list-style-type: none">○ Efficiencies from putting together similar specialties and people with common skills, knowledge, and orientations○ Coordination within functional area○ In-depth specialization	<ul style="list-style-type: none">○ Poor communication across functional areas○ Limited view of organizational goals

- 2. Product Departmentalization.** It groups jobs by product line. Each manager is responsible of an area within the organization depending of his/her specialization

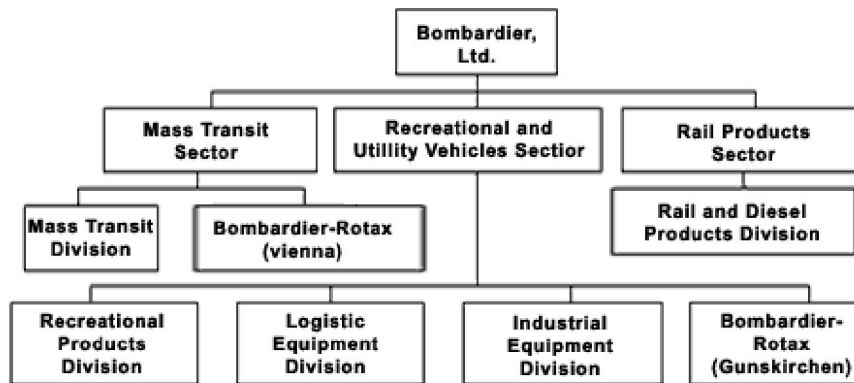


Figure : Product Departmentalization example

Different aspects on this type of departmentalization :

Positive Aspects	Negative Aspects
<ul style="list-style-type: none"> ○ Allows specialization in particular products and services ○ Managers can become experts in their industry ○ Closer to customers 	<ul style="list-style-type: none"> ○ Duplication of functions ○ Limited view of organizational goals

- 3. Geographical Departmentalization.** It groups jobs on the basis of territory or geography.

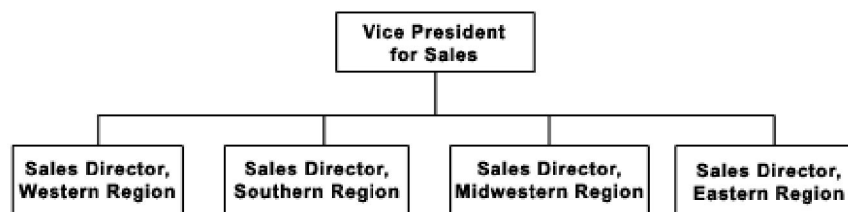


Figure : Geographical Departmentalization example

Different aspects on this type of departmentalization :

Positive Aspects	Negative Aspects
<ul style="list-style-type: none">○ More effective and efficient handling of specific regional issues that arise○ Serve needs of unique geographic markets better	<ul style="list-style-type: none">○ Duplication of functions○ Can feel isolated from other organizational areas

- 4. Process Departmentalization.** It groups on the basis of product or customer flow.

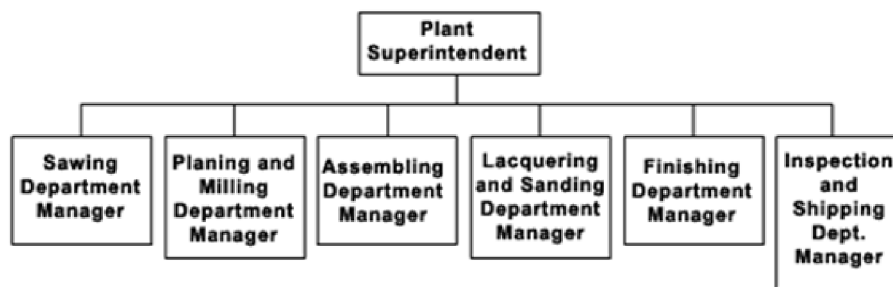


Figure : Process Departmentalization example

Different aspects on this type of departmentalization :

Positive Aspects	Negative Aspects
<ul style="list-style-type: none">○ More efficient flow of work activities	<ul style="list-style-type: none">○ Can only be used with certain types of products

- 5. Customer Departmentalization.** It groups jobs on the basis of common customers.

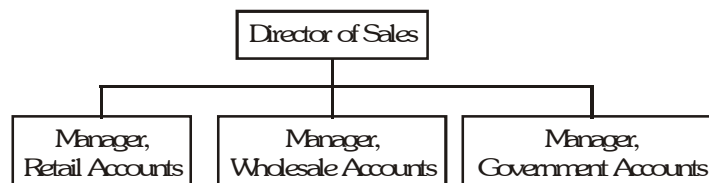


Figure : Customer Departmentalization example

Different aspects on this type of departmentalization :

Positive Aspects	Negative Aspects
<ul style="list-style-type: none"> Customers' needs and problems can be met by specialists 	<ul style="list-style-type: none"> Duplication of functions Limited view of organizational goals

III) Chain of command. It is defined as a continuous line of authority that extends from upper organizational levels to the lowest levels and clarifies who reports to whom. There are three important concepts attached to this theory:

- ♦ **Authority:** Refers to the rights inherent in a managerial position to tell people what to do and to expect them to do it.
- ♦ **Responsibility:** The obligation to perform any assigned duties.
- ♦ **Unity of command:** The management principle that each person should report to only one manager.

IV) Span of Control. It is important to a large degree because it determines the number of levels and managers an organization has. Also, determines the number of employees a manager can efficiently and effectively manage.

V) Centralization and Decentralization

More Centralization	More Decentralization
<ul style="list-style-type: none"> Environment is stable Lower-level managers are not as capable or experienced at making decisions as upper-level managers. Lower-level managers do not want to have say in decisions Decisions are significant. Organization is facing a crisis or the risk of company failure. Company is large. Effective implementation of company strategies depends on managers retaining say over what happens. 	<ul style="list-style-type: none"> Environment is complex, uncertain. Lower-level managers are capable and experienced at making decisions. Lower-level managers want a voice in decisions. Decisions are relatively minor. Corporate culture is open to allowing managers to have a say in what happens. Company is geographically dispersed. Effective implementation of company strategies depends on managers having involvement and flexibility to make decisions

VI) Formalization

It refers to the degree to which jobs within the organization are standardized and the extent to which employee behavior is guided by rules

10. (a) What are the qualities of successful leader ? Outline various styles of leadership.

Ans :

Refer to Unit - V, Topic No. 5.1.3 and 5.1.12

(b) Explain the challenges faced by people due to change.

Ans :

Refer to Unit - V, Topic No. 5.3.1.

FACULTY OF COMMERCE
M.Com. I - Semester Examination
ORGANIZATION THEORY AND BEHAVIOUR

Time : 3 Hours] **Solutions to November / December - 2013** [Max. Marks : 80

Note : Answer all the questions in not more than one page each.

SECTION - A **(5 × 4 = 20)**

1. Organisation culture

Ans :

Refer to Unit - III, Topic No. 3.6

2. Leadership vs. Management.

Ans :

Refer to Unit - V, Topic No. 5.1.11

3. Effective use of Informal Organisation

Ans :

- i) Assists in accomplishing the work faster.
- ii) Helps to remove weakness in the formal structure.
- iii) Lengthens the effective span of control.
- iv) Compensation for violations of formal organisational principles.
- v) Provides an additional channel of communication.
- vi) Provides emotional support for employees.
- vii) Encourages better management.

4. Inter group Behaviour and conflict

Ans :

Group conflict, or hostilities between different groups, is a feature common to all forms of social organization (e.g., sports teams, ethnic groups, nations, religions, gangs). Although group conflict is one of the most complex phenomena studied by social scientists, the history of the human race evidences a series of group-level conflicts that have gained notoriety over the years.

Group conflict can be separated into two sub-categories of conflict: inter-group conflict (in which distinct groups of individuals are at odds with one another), and intra-group conflict (in which select individuals that are part of the same group clash with one another). Although both forms of conflict have the ability to spiral upward in severity, it has been noted that conflict present at the group level (i.e., inter-group rivalries) is generally considered to be more powerful than conflict present at an individual level – a phenomenon known as the discontinuity effect

5. Conflict management.

Ans :

Refer Unit - IV, Page No. 172, Topic No. 4.2.9

SECTION - B

(5 × 12 = 60)

6. a) State the various contributing disciplines to the organisational behaviour.

Ans :

Refer to Unit - I, Page No. 51, Topic No. 1.2.7

b) Discuss the salient features of M.B.O. What are its limitations?

Ans :

Definition

Management by Objectives (MBO) is a personnel management technique where managers and employees work together to set, record and monitor goals for a specific period of time. Organizational goals and planning flow top-down through the organization and are translated into personal goals for organizational members. The technique was first championed by management expert Peter Drucker and became commonly used in the 1960s.

Based on the definitions of MBO its features can listed out as follows :

1. MBO is an approach and philosophy to management and not merely a technique. It is likely to affect every management practice in the organisation. It employs several techniques but it is not merely the sum total of all these techniques. Thus it is a particular way of thinking about management.
2. MBO provides the stimulus for the introductions of new techniques of management and enhances the relevance and utility of the existing ones.
3. MBO is the joint application of a number of principles and techniques, and works as integrating device.

4. The basic emphasis of MBO is an objectives, it tries to match objectives and resources.
5. This process clarifies the role very sharply in terms of what one is expected to achieve.
6. Periodic review of performance is an important feature of MBO.
7. Objectives in MBO provide guidelines for appropriate systems and procedures for instance resource allocation, delegation of authority etc., are determined on the basis of objectives.

Five Main Limitations of Management by Objectives

MBO is a unified task and needs involvement of the staff at all important levels. The Objectives laid down jointly must suit to achieve the goals of the organisation. This necessarily.

1) Failure to teach the Philosophy

The objectives and goals of the organisation must be understood properly by the managers, “this requires patient explanation of the entire programme, what it is, how it works, why it is being done, what part it will play in appraising management performance, and above all, how participants can benefit.”

2) Failure to give Goal Setters Guidelines

The manager who sets the objectives must be given proper guidelines to achieve the goals. He must clearly know the corporate goals and his stock to achieve them.

3) Goals are Difficult to Set

As the setting of objectives takes more study and work, it is difficult to set truly verifiable goals’.

4) Tendency of Goals to be Short Run

It is usual that goals are- set for a short term usually for a year. This means that superiors must always assure themselves that current objectives, like another short run plan, are designed to serve longer range goals”.

5) The Dangers of Inflexibility

As objectives framed at the beginning would not be altered by the managers, flexibility will not be allowed to achieve the results, which is very much needed to provide cushion for changes that may occur at various stages.

7. a) **Define group behaviour. Discuss the fundamentals and stages of group development.**

Ans :

Refer to Unit - II, Topic No. 2.4 and 2.4.4

- b) **Discuss the Functions of attitudes and Attitude change Approaches.**

Ans :

Refer to Unit - II, Topic No. 2.3.4, 2.3.5 and 2.3.7

8. a) **Describe the positive and negative aspects of culture.**

Ans :

Every organization needs some well-defined and carefully drafted norms for the organization to make the organization run smoothly and to make it grow. We can also call it an organizational culture. To maintain a perfect organizational culture the head of the organization must be very competent.

He must also have a team of competent individuals to run the procedure smoothly. In any organization you would experience positive vs. Negative organizational cultures. The head of the organization and his management team must differentiate between positive vs. Negative organizational culture. Following are some basic negative and positive organizational culture.

First we will discuss the negative culture. Following are some examples of negative tendencies in organization. Make yourself busy while doing nothing. Do not take responsibility. Not available for any hard task or job. Not cooperative. Always, making effort to appease boss. Discriminate people on the basis of color, age, gender or religion. Blame others for your own fault. These were some examples of negative organizational culture. Such tendencies among workers or employers of the organization could drastically affect the working environment and growth of the organization. The management needed to discourage such negative tendencies in the organization.

On the other hand following is the positive culture of the organization. It includes, be gentle, helpful and supportive to everyone in the organization. Give respect to everyone in the organization. Always ready to take responsibility. Appreciate others' good work. Keep his mind open all the time. Give respect to others.

All employees must understand what to do and what not to do. These were some positive vs. negative organizational cultures. Unlike the negative culture the positive

organizational culture bare very fruitful result for the organization and for those who are working in the organization. The management has to play the key role weather to promote positive or negative organizational culture. A management authority will always run the organization on some properly defined norms and standard to promote positive culture in the organization.

b) Discuss the power and sources of power?

Ans :

Power :

Refer to Unit - IV, Topic No. 4.1.1 and 4.1.2

Five Sources of Power in Organizations

Power refers to the possession of authority and influence over others. Power is a tool that, depending on how it's used, can lead to either positive or negative outcomes in an organization. In 1959, American sociologists John French and Bertram Raven published an article, "The Bases of Power," that's regarded as the basis for classifying power in organizations. They identified five sources of power, namely: coercive, referent, legitimate, expert and reward power.

1. Legitimate Power

Legitimate power is also known as positional power. It's derived from the position a person holds in an organization's hierarchy. Job descriptions, for example, require junior workers to report to managers and give managers the power to assign duties to their juniors. For positional power to be exercised effectively, the person wielding it must be deemed to have earned it legitimately. An example of legitimate power is that held by a company's CEO.

2. Expert power

Knowledge is power. Expert power is derived from possessing knowledge or expertise in a particular area. Such people are highly valued by organizations for their problem solving skills. People who have expert power perform critical tasks and are therefore deemed indispensable. The opinions, ideas and decisions of people with expert power are held in high regard by other employees and hence greatly influence their actions. Possession of expert power is normally a stepping stone to other sources of power such as legitimate power. For example, a person who holds expert power can be promoted to senior management, thereby giving him legitimate power.

3. Referent Power

Referent power is derived from the interpersonal relationships that a person cultivates with other people in the organization. People possess reference power when others respect and like them. Referent power arises from charisma, as the charismatic person influences others via the admiration, respect and trust others have for her. Referent power is also derived from personal connections that a person has with key people in the organization's hierarchy, such as the CEO. It's the perception of the personal relationships that she has that generates her power over others.

4. Coercive Power

Coercive power is derived from a person's ability to influence others via threats, punishments or sanctions. A junior staff member may work late to meet a deadline to avoid disciplinary action from his boss. Coercive power is, therefore, a person's ability to punish, fire or reprimand another employee. Coercive power helps control the behavior of employees by ensuring that they adhere to the organization's policies and norms.

5. Reward Power

Reward power arises from the ability of a person to influence the allocation of incentives in an organization. These incentives include salary increments, positive appraisals and promotions. In an organization, people who wield reward power tend to influence the actions of other employees. Reward power, if used well, greatly motivates employees. But if it's applied through favoritism, reward power can greatly demoralize employees and diminish their output.

9. a) Define politics. Describe the political process in organisations.

Ams :

Refer to Unit - IV, Topic No. 4.1.8

b) Outline functional and dysfunctional conflict with suitable examples.

Ans :

Refer to Unit - IV, Topic No. 4.2.6

10. a) Bring out clearly the contemporary issues in change.**Ans :**

Change management is the process of transitioning organizations, groups or individuals from the present state or status quo to a desired state in future. In business, it involves the deliberate effort to transition stakeholders at all levels to accept and participate in change. In the 21st century, no organization can pride itself in maintaining sameness and status quo especially if compared with a few decades ago. With stability being viewed as stagnation and not steadiness, organizations have overcome the fear that was associated with change has been overcome by the contemporary uncertainty of staying the same.

As a result, management of creativity change and innovation is essential for organizations today to ensure that they deliberately incorporate strategies for change and innovation in their plans to ensure not only the success but also the survival of the firm in a rapidly changing environment. It has been argued that it is only organizations that embrace the principles of innovation management that will achieve sustainable competitive advantage and thus be capable of outpacing their competitors.

Approaches / Theories of change

In the study of creativity, change and innovation management, some theories have been proposed by various scholars. Burke (2000), states that the need for change in an organization arises from the organization's vision of the future which will then necessitate a behavior movement in the direction of the vision. In this paper, I shall identify and discuss two theories on change in management. They include the John Kotter and Transformational Theories of change.

John Kotter Theory of change in management

John Kotter developed this theory in 1994 in an article entitled "Leading Change: Why Transformation Efforts fail" published in the Harvard Business Review. Further research led Kotter to write a book on change in management in 1995 which was published in 1995 and subsequent years. In the theory, John Kotter identified an eight step management process towards meaningful change. This theory is sometimes referred to as the process theory.

Its major tenet includes the process of communicating to and empowering the employees or members to focus on change. Once the desired change has been achieved, the theory suggests the importance of embedding the change in their activities. This

prevents subjects from slipping back into old practices. The process involves constant monitoring and evaluation as well as intervention for a period that will ensure that the change is instilled.

The steps are outline below :

1. Establishing a sense of urgency
2. Formation of a guiding coalition
3. Creation of a vision that is clear
4. Discussing the vision with others
5. Empowering others to achieve the vision
6. Planning and creating short term targets
7. Consolidating areas of improvement and further change
8. Institutionalization of the new approaches

Strengths of the John Kotter Theory of change

According to Poole (2000), the first advantage of this approach is that it offers a flexible mode of inquiry that is necessarily useful and suitable for exploring essential features of change and development. Essentially, this theory takes in to account the details of change and development process, allowing researchers to identify as well as explore the path taken by the path process while accounting for the path dependence factors. Further, process research not only creates the possibility of discovering new patterns that have not been previously considered, the generated from process research can also be utilized in variance based analyses.

Secondly, the process approach is advantageous in that it completes variance theories. Centrally, variance theories depend on narratives that account for the relationship between variables as well as how causal processes develop. It is important to note that process research is interested in interrogating the structures and implications of stories besides ensuring the development of specific and systematic procedures for analyzing explanations against plausible alternatives, thus complementing variance research (p.25). The third advantage of the process theory is that its explanation is based on social science and takes into account the human involvement in development and change. This means that the theory is practical since it takes into consideration the actors' decisions and plans that are deeply entrenched in the goals as well as the visions of the expected final product. Therefore, it can be concluded that the process theory thus incorporates form and purposes in its explanations (p.26).

Transtheoretical Approach to Change

Transtheoretical approach to change was developed by Prochaska James in 1977 in his paper entitled 'A Transtheoretical Approach to Changing Organizations'. The theory's basic tenets are stages of change, decisional balance and self-efficacy. In this theory, change is achieved through a series of stages. The stages are outlined as follows :

1. Precontemplation
2. Contemplation
3. Preparation
4. Action
5. Maintenance

1. Precontemplation

At the precontemplation stage, Prochaska James argues that the people are unwilling to begin change that will generate healthy behavior in future or may simply be ignorant of the need for change. At this stage, subjects are encouraged to meditate upon the need for change and debate on the strengths and weaknesses of that change. More often, the advantages of change are underestimated at this stage and thus the need for intervention to encourage change by suggesting the benefits of change.

2. Contemplation

Here, the subjects show intent to change. It is a stage characterized by a greater awareness of the benefits of change as well as the limitations. Because of the mix of pros and cons, this can make the stakeholders to hesitate to take action. The role of the manager is to suggest solutions to the limitations.

3. Preparation

The stakeholders are ready to take action. Small efforts are witnessed that suggest willingness to take action towards change. Example includes talking about desired change to others that they can trust like colleagues or friends. Plenty of encouragement is required at this stage to prevent slipping backwards.

4. Action

Deliberate efforts have been made to realize change and the need to work even harder is critical. Commitment to change should be strengthened especially in

activities that promote change and suppress old habits. Rewards and other forms of motivation are necessary to promote the newly learnt behavior.

5. Maintenance

A prolonged period of practicing new habits is witnessed to reinforce change. The stakeholders need support from trusted persons to ensure that reverting to old habits is not witnessed.

Advantages of the Transtheoretical Approach

The strengths of this theory are that it is based in behavioral change which is a simply conditioning of individuals in the cognitive, affective and social domains. The psychological approach emphasizes on action maintenance once the new behavior is learnt and practiced. This is done through individual commitments, environmental control, conditioning and support. In this sense therefore, both the manager and the subjects participate and own the change.

Limitations

The transtheoretical approach assumes that as the participants go through the process of change, the pros increase while the cons decrease. However, this is not the case. Indeed, the challenges that are expected to be encountered can easily discourage the participants. Initiating, learning and maintaining change is not an easy process and the theory should have addressed the expected challenges and how they are to be dealt with effectively.

At the same time, the theory is biased towards psychological factors which do not suit organizations very well by individuals. Organizational change requires a sociological approach that explains group behavior and thus collective change.

b) What is organisational effectiveness? Critically examine the various approaches to organisational effectiveness.

Ans :

Organizational effectiveness is the concept of how effective an organization is in achieving the outcomes the organization intends to produce.^[1] Organizational Effectiveness groups in organizations directly concern themselves with several key areas. They are talent management, leadership development, organization design and structure, design of measurements and scorecards, implementation of change and transformation, deploying smart processes and smart technology to manage the firms'

human capital and the formulation of the broader Human Resources agenda. If an organization has practices and programs in the areas above, the OE group does many or all of the following roles :

- Examines alignment between the areas and improves them
- Improves trade-offs between reliability, speed and quality in the above areas
- Strategizes for higher adoption rates in these areas
- Facilitates/initiates/catalyses capability building : structure, process and people

Rapid advances in social sciences and technology aided by clever experimentation and observation is bringing several truths to the light of society. There are several disciplines of social sciences that help the OE Practitioner be successful.

Approaches to Organizational Effectiveness

There are a number of approaches to Organizational Effectiveness but we will discuss about four only. Organizational effectiveness and corporate performance research appear to take care of the same core construct: organizational effectiveness and performance. Since the beginning of industrialization, the concept of assessing organizational effectiveness has been crucial in organization practice and theory. Generally, it is not clear what experts mean whenever they make reference to effectiveness and it has led to ambiguities in interpreting the results of their work. The sad thing is, just a few studies have tried to give a definition of Organizational Effectiveness.

Four Approaches to Organizational Effectiveness



1. Goal Approach

The Goal Approach is also called rational-goal or goal-attainment approach, it has its origins in the mechanistic view of the organization. This approach assumes that organisations are planned, logical, goal-seeking entities and they are meant to accomplish one or more predetermined goals. Goal approach is worried with the output side and whether or not the organization attains its goals with respect to preferred levels of output. It sees effectiveness with respect to its internal organisational objectives and performance. Typical goal-attainment factors include profit and efficiency maximization.

The key constraint of this approach pertains to the content comparability of organizational goals. The dependable identification of comparable and practically appropriate goals within groups of organizations is thus a serious problem. What a company declares as its formal goals don't always echo the organisations actual goals. Therefore, an organisations formal goals are typically dependent upon its standards of social desirability. As goals are dynamic, hence they will probably change as time passes, simply because of the political make-up of an organisation.

An organisations short-term goals are usually not the same as their long term goals. The utilization of goals as a standard for assessing Organizational Effectiveness is challenging. The goal approach presumes consensus on goals. Considering the fact that there are numerous goals and varied interests inside an organisation, consensus, is probably not possible.

2. System Resource Approach

This approach to Organizational Effectiveness was developed in response to the goal approach. The System Resource Approach sees an organisation as an open system. The organisation obtains inputs, participates in transformation processes, and generates outputs. This approach emphasizes inputs over output. It sees most organizations as entities which function in order to survive, at the same time rivaling for scarce and valued resources. It assumes that the organisation consists of interrelated subsystems. If any sub-system functions inefficiently, it is going to influence the performance of the whole system.

The disadvantages of this approach relate to its measurement of means. An issue with this approach is that a higher amount of obtained resources is not going to promise effective usage. In addition, it is tough to define an ideal degree of resource acquisition across distinct organizations.

3. Internal-Process Approach

This approach has been developed in response to a fixed output view of the goal approach. It looks at the internal activities. Organizational effectiveness is assessed as internal organizational health and effectiveness. According to **Internal-Process Approach** effectiveness is the capability to get better at internal efficiency, co-ordination, commitment and staff satisfaction. This approach assesses effort as opposed to the attained effect.

Some experts have criticized the internal-process approach, like the system-resource approach, cannot lead to legitimate indicators of organizational effectiveness itself. Rather, it is accepted as an approach for studying its assumed predictors. Similar to the system-resource approach, the internal-process approach could possibly be applied only where comparable organizational outcomes can hardly be assessed accurately.

4. Strategic Constituencies Approach

This approach suggests that an efficient organisation is one which fulfills the demands of those constituencies in its environment from whom it needs support for its survival. It assesses the effectiveness to satisfy multiple strategic constituencies both internal and external to the organization.

Strategic Constituencies Approach is ideal for organizations which rely highly on response to demands. The Strategic-constituencies approach takes explicitly into consideration that organizations fulfill multiple goals: each kind of organizational constituency (like proprietors, workers, consumers, the local community, etc.) is supposed to have distinct interests vis-à-vis the corporation, and will thus use different evaluation criteria.

However, the job of isolating the strategic constituencies from their environment within which they function is a challenging and tricky task. Because the environment swiftly changes, what was a crucial goal today might not be so tomorrow. Individual constituents may create significantly diverse ratings of an organisations effectiveness. These constituents may use diverse factors or weight the same criteria in a different way.

FACULTY OF COMMERCE
M.Com. I - Semester Examination
ORGANIZATION THEORY AND BEHAVIOUR

Time : 3 Hours] **Solutions to November / December - 2012** [Max. Marks : 80

Note : Answer all the questions in not more than one page each.

SECTION - A

(5 × 4 = 20)

1) Contemporary organisation

Ans :

Refer to Unit - I, Topic No. 1.1.15

2) Career development

Ans :

Refer to Unit - I, Topic No. 1.2.6

3) Organisation culture

Ans :

Refer to Unit - III, Topic No. 3.6

4) Organisational power

Ans :

Refer to Unit - IV, Topic No. 4.1.5

5) Leadership vs. Management.

Ans :

Refer to Unit - V, Topic No. 5.1.11

SECTION - B

(5 × 12 = 60)

6. a) Explain the features and limitations of neoclassical theory.

Ans :

Refer to Unit - I, Topic No. 1.1.12

b) Outline the features and scope of organisational behaviour.**Ans :**

Refer to Unit - I, Topic No. 1.2.2 and 1.2.3

7. a) What is perception ? Discuss the factors influencing perception.**Ans :****Perception**

Perception is the process by which organisms interpret and organize sensation to produce a meaningful experience of the world. Sensation usually refers to the immediate, relatively unprocessed result of stimulation of sensory receptors in the eyes, ears, nose, tongue, or skin.

Perception is the process through which the information from outside environment is selected, received, organized and interpreted to make it meaningful to us.

Perception is the process by which individuals organize and interpret their sensory impressions in order to give meaning to their environment.

Definitions of Perception

According to Kolasa, "Perception is selection and organization of material which stems from the outside environment at one time or the other to provide the meaningful entity we experience."

According to S.P. Robbins, "Perception may be defined as a process by which individuals organize and interpret their sensory impressions in order to give meaning to their environment."

According to Joseph Reitz, "Perception includes all those processes by which an individual receives information about his environment – seeing, hearing, feeling, tasting, and smelling."

According to Kolasa, "Perception is selection and organization of material which stems from the outside environment at one time or the other to provide the meaningful entity we experience."

According to S.P. Robbins, "Perception may be defined as a process by which individuals organize and interpret their sensory impressions in order to give meaning to their environment."

Factors Influencing Perception

Individuals may look at the same thing, yet perceive it differently. A number of factors operate to shape and sometimes distort perception. These factors are shown in figure.

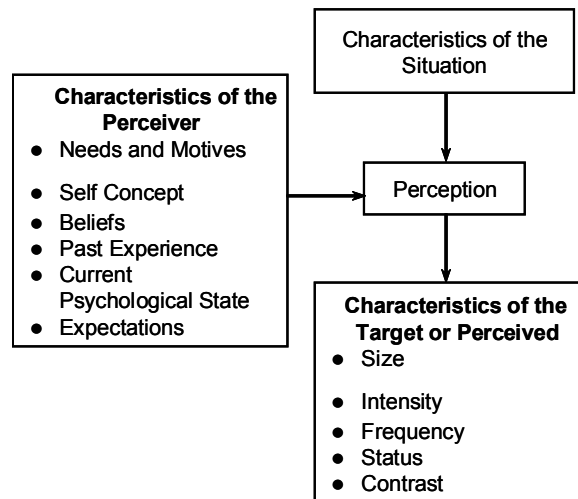


Fig. : Factors Influencing Perception

1. Characteristics of the Perceiver (Internal Factors)

- (i) **Needs and Motives** : People's perception is determined by their inner needs. A need is a feeling of tension or discomfort when one thinks he is missing something or requires something. People with different needs usually experience different stimuli. Similarly people with different needs select different items to remember or respond to.
- (ii) **Self Concept** : The way a person views the world depends a greatly on self-concept or image he has about himself. The self-concept plays an important role in perceptual selectivity.
- (iii) **Beliefs** : A person's beliefs have profound influence on his perception. Thus, a fact is conceived not on what it is but what a person believes it to be.
- (iv) **Past Experience** : A person's past experiences mould the way he perceives the current situations. If a person has been betrayed by a couple of friends in the past, he would tend to distrust any new friendship that he might be in the process of developing.

- (v) **Current Psychological State** : The emotional and psychological states of an individual are likely to influence how things are perceived. If a person is depressed, he is likely to perceive the same situation differently than if he is elated.
- (vi) **Expectations** : Expectations affect what a person perceives. Thus, a technical manager may expect ignorance about the technical feature of a product from the nontechnical people.

2. Characteristics of the Target or Perceived (External Factors)

- (i) **Size** : The bigger the size of the perceived stimulus, the higher is the probability that it is perceived. Size attracts the attention of an individual. It establishes dominance and enhances perceptual selection.
- (ii) **Intensity** : High intensity increases the chances of selection. If the message is bright, if sentences are underlined, it gets more attention than in normal case. The greater the intensity of stimulus, the more likely it will be noticed.
- (iii) **Frequency** : Repeated external stimulus is more attention-attracting than a single time. Repetition increases our sensitivity and alertness to the stimulus. Thus, greater the frequency with which a sensory stimulus is presented, the greater than chances we select it for attention.
- (iv) **Status** : Perception is also influenced by the status of the perceiver. High status people can exert greater influence on perception of an employee than low status people.
- (v) **Contrast** : Stimuli that contrast with the surrounding environment are more likely to be attention catching than the stimuli that blend in. A contrasting effect can be caused by colour/size or any other factor that is unusual. The contrast principle states that external stimuli stand out against the background, not what are expected will receive better attention.

3. Characteristics of the Situation

The context in which objects or events is seen, is important. Elements in the surrounding environment influence, our perception. The time at which an object or event is seen can influence attention, as can location, light, heat, or any other situational factors.

- b) **Define group behaviour. Discuss the fundamentals and stages of group development.**

Ans :

Refer to Unit - II, Topic No. 2.4, 2.4.4 and 2.5.1

8. a) Describe the significance of any two process theories.

Ans :

Refer to Unit - III, Topic No. 3.3.1 and 3.3.2

b) What is morale ? Discuss the factors influencing morale.

Ans :

Refer to Unit - III, Topic No. 3.5 and 3.5.3

9. a) What do you mean by power? Discuss the basis of power.

Ans :

Refer to Unit - IV, Topic No. 4.1.1 and 4.1.3

b) “Managing conflict is a daunting task.” Elucidate. Discuss the stages in conflict.

Ans :

Refer to Unit - IV, Topic No. 4.2.2, 4.2.3 and 4.2.9

10. a) What is leadership ? What are the leadership styles ? Explain.

Ans :

Refer to Unit - V, Topic No. 5.1.2 and 5.1.12

b) Bring out clearly the contemporary issues in change.

Ans :

Management of change over several decades. Some of the glaring merits of the planned organisational change as follows :

- i) The scope and magnitude of planned change are large;
- ii) Planned change in organisations anticipate in the external as well as internal environmental conditions; and
- iii) Among others, it generally ends up in charting a comprehensive course of action, in which the compatibility of the enterprise or organisation is enlarged and, thereby the organisation cope with the problems of - changed circumstances as discussed earlier in this chapter.

Though it has various advantages, it is not free from criticism. Therefore, it would be better to an understanding on the demerits of planned change. Let us see as below :

- i) The first and foremost disadvantage is the high risk that has to be shouldered by the management due to an encouraged planned programme of change in the organisation;
- ii) From the point of view of 'time management,' it must have to be said that planned organisational change is relatively encountered with the problems time and resources wastage, if handled improperly;
- iii) As we know, in planned change greater managerial skill is required, therefore, when it is lacking in organisations, there crepts up many related problems for its adequate management at right angle;
- iv) Besides, it may invite more problems than to its benefit, if the result is not successfully achieved due to many reasons.

From the above, it is worth-noting that planned organisational change means that members modify their ways of work and attitudes to it in the desired direction. Thus, conditions for success of planned change envisages not only the adjustment of goal, reorganisation of structure, improvement of skill of employees, and other structural as well as psychological adjustments in human values, culture and norms, besides organisational conditions and functioning; but also it requires behavioural changes as prescribed by different models in preceding analysis. As a whole, it is considered to the process of a proactive change, in so far as the organisational development and managerial effectiveness is concerned.