



**MALLA REDDY COLLEGE
OF ENGINEERING & TECHNOLOGY**

(Autonomous Institution - UGC, Govt. of India)

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ICET CODE MLRD

MANAGEMENT AND ORGANISATIONAL BEHAVIOUR

DIGITAL NOTES

Course Code: R22MBA01



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**DEPARTMENT
OF BUSINESS
MANAGEMENT**

MALLA REDDY COLLEGE OF ENGINEERING & TECHNOLOGY
(Autonomous Institution-UGC, Govt. of India)
MBA I YEAR I SEM
R20MBA01 MANAGEMENT AND ORGANISATIONAL BEHAVIOUR

Course Aim:

- To understand the fundamentals underlying the management of an organization. To understand the dynamics of organizational behaviour.

Learning Outcomes:

- The students should be able to learn the history of management and the contributions of important management researchers.
- The students can learn how to delegate authority and use power to influence people to get the work done through proper communication and control.
- To understand how employees behave in organizations. Students should be able to correct their individual behaviour and group behaviour. They will also be able to motivate and lead employees towards achievement of organizational mission and objectives.

Unit-I: Theories of Management

Basics of Management, Importance of management, Functions of Management, Levels of Management, Scientific Management Theory, Fayol's fourteen principles of management, Bureaucratic Theory, Human Relations Movement, Systems and Contingency theory.

Unit-II: Planning and Organising

Introduction, features of planning, principles of planning, importance of planning, forms of planning, guidelines for effective planning, steps in planning process. Organising: Principles of Organizing, Authority, Organizational Design, Job Design, Relation between Authority, Power and Influence.

Unit-III: Leadership and Motivation Theories

Leadership Theories – Great Man theory, Trait Theory, The Managerial Grid Model, Path-goal theory, Leader-member Exchange (LMX), Fiedler's contingency theory. Motivational Theories: Maslow's Hierarchy of Needs, Two-factor theory of Motivation, Theory X and Theory Y, McClelland's need theory. Communication: Process, Barriers, guidelines for effective communication.

Unit-IV: Organizational Behaviour

Elements of OB, Disciplines of OB. Perception process, Attitudes, Personality Theories - Extrovert & Introvert, Type-A & Type-B, Sigmund Freud's Psychoanalytic theory. Stress Management.

Unit-V: Group Behaviour

Foundations of Group Behaviour, Defining and Classifying Groups, Stages of Group Development, Group Decision Making, Understanding Work Teams, Types of Teams, Creating Effective Teams.

REFERENCES:

- Robert N. Lussier, Management Fundamentals–Concepts, Applications, Skill Development, Cengage Learning.
- Stephen P. Robbins, Timothy: Organizational Behavior, Pearson.
- L. M. Prasad, Principles and Practices of Management, Revised Edition, Sulthan Chand Publishing.
- Udai Pareek, Sushma Khanna, Organizational Behavior, Oxford Publishing.
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UNIT -1

INTRODUCTION TO MANAGEMENT

Management is a universal phenomenon. It is a very popular and widely used term. All organizations - business, political, cultural or social are involved in management because it is the management which helps and directs the various efforts towards a definite purpose.

Definition: “Management is known exactly what you want men to do and then seeing that they do it the best and cheapest ways”.

-F.W.Taylor

“Management is an art of getting things done through and with the people in formally organized groups. It is an art of creating an environment in which people can perform and individuals and can co-operate towards attainment of group goals”.

Koontz and O'Donell

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.

Multidisciplinary: Management is basically multidisciplinary. This implies that, although management has been developed as a separate discipline, it draws knowledge and concepts from various disciplines. It draws freely ideas and concepts from such disciplines as psychology, sociology, anthropology, economics, ecology, statistics, operations research, etc. Management integrates the ideas and concepts taken from these disciplines and present newer concepts which can be put into practice for managing the organization.

Dynamic nature of principle: Based on integration and supported by practical evidences, management has formed certain principles. However, these principles are flexible in nature and change with the changes in the environment in which an organization exists.

Relative, not absolute principles: Management principles are relative, not absolute, and they should be applied according to the need of the organization. Each organization may be different from others. The difference may exist because of time, place, socio-cultural factors, etc.

Management - Science or Art: There is a controversy whether management is science or art. However, management is both a science and art.

Management as profession: Management has been regarded as profession by many while many have suggested that it has not achieved the status of a profession.

Principles of Management

1. Principles of Management are *Universal*

- Management principles are applicable to all kinds of organizations - business & non business.
- They are applicable to all levels of management.

- Every organization must make best possible use by the use of management principles.
 - Therefore, they are universal or all pervasive.
2. **Principles of Management are *Flexible***
 - Management principles are dynamic guidelines and not static rules.
 - There is sufficient room for managerial discretion i.e. they can be modified as per the requirements of the situation.
 - Modification & improvement is a continuous phenomenon in case of principles of management.
 3. **Principles of Management have a *Cause & Effect Relationship***
 - Principles of management indicate cause and effect relationship between related variables.
 - They indicate what will be the consequence or result of certain actions. Therefore, if one is known, the other can be traced.
 4. **Principles of Management - *Aims at Influencing Human Behavior***
 - Human behavior is complex and unpredictable.
 - Management principles are directed towards regulating human behavior so that people can give their best to the organization.
 - Management is concerned with integrating efforts and harmonizing them towards a goal.
 - But in certain situations even these principles fail to understand human behavior.
 5. **Principles of Management are of *Equal Importance***
 - All management principles are equally important.
 - No particular principle has greater importance than the other.
 - They are all required together for the achievement of organizational goals.

Characteristics of Management:

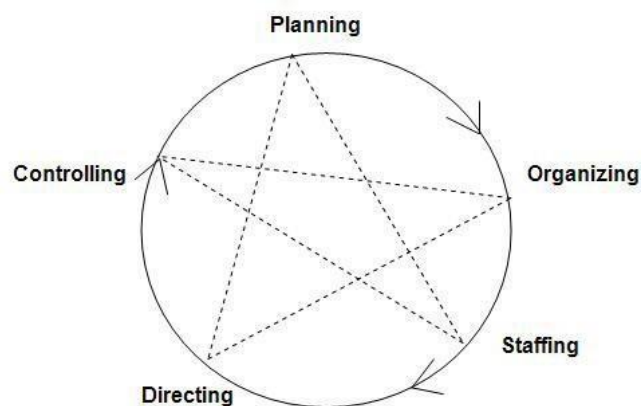
Management is an activity concerned with guiding human and physical resources such that organizational goals can be achieved. Nature of management can be highlighted as: -

1. **Management is Goal-Oriented:** The success of any management activity is assessed by its achievement of the predetermined goals or objective. Management is a purposeful activity. It is a tool which helps use of human & physical resources to fulfill the predetermined goals. For example, the goal of an enterprise is maximum consumer satisfaction by producing quality goods and at reasonable prices. This can be achieved by employing efficient persons and making better use of scarce resources.
2. **Management integrates Human, Physical and Financial Resources:** In an organization, human beings work with non-human resources like machines. Materials, financial assets, buildings etc. Management integrates human efforts to those resources. It brings harmony among the human, physical and financial resources.

3. **Management is Continuous:** Management is an ongoing process. It involves continuous handling of problems and issues. It is concerned with identifying the problem and taking appropriate steps to solve it. E.g. the target of a company is maximum production. For achieving this target various policies have to be framed but this is not the end. Marketing and Advertising is also to be done. For this policies have to be again framed. Hence this is an ongoing process.
4. **Management is all Pervasive:** Management is required in all types of organizations whether it is political, social, cultural or business because it helps and directs various efforts towards a definite purpose. Thus clubs, hospitals, political parties, colleges, hospitals, business firms all require management. When ever more than one person is engaged in working for a common goal, management is necessary. Whether it is a small business firm which may be engaged in trading or a large firm like Tata Iron & Steel, management is required everywhere irrespective of size or type of activity.
5. **Management is a Group Activity:** Management is very much less concerned with individual's efforts. It is more concerned with groups. It involves the use of group effort to achieve predetermined goal of management of ABC & Co. is good refers to a group of persons managing the enterprise.

FUNCTIONS OF MANAGEMENT

According to Henry Fayol, "To manage is to forecast and plan, to organize, to command, & to control". Whereas Luther Gullick has given a keyword 'POSDCORB' where P stands for Planning, O for Organizing, S for Staffing, D for Directing, Co for Co-ordination, R for reporting & B for Budgeting. But the most widely accepted are functions of management given by KOONTZ and O'DONNEL i.e. Planning, Organizing, Staffing, Directing and Controlling.



1. Planning

It is the basic function of management. It deals with chalking out a future course of action & deciding in advance the most appropriate course of actions for achievement of pre-determined goals. According to KOONTZ, “Planning is deciding in advance - what to do, when to do & how to do. It bridges the gap from where we are & where we want to be”. A plan is a future course of actions. It is an exercise in problem solving & decision making. Planning is determination of courses of action to achieve desired goals. Thus, planning is a systematic thinking about ways & means for accomplishment of pre-determined goals. Planning is necessary to ensure proper utilization of human & non-human resources. It is all pervasive, it is an intellectual activity and it also helps in avoiding confusion, uncertainties, risks, wastages etc.

2. Organizing

It is the process of bringing together physical, financial and human resources and developing productive relationship amongst them for achievement of organizational goals. According to Henry Fayol, “To organize a business is to provide it with everything useful or its functioning i.e. raw material, tools, capital and personnel’s”. To organize a business involves determining & providing human and non-human resources to the organizational structure. Organizing as a process involves:

- Identification of activities.
- Classification of grouping of activities.
- Assignment of duties.
- Delegation of authority and creation of responsibility.
- Coordinating authority and responsibility relationships.

3. Staffing

It is the function of manning the organization structure and keeping it manned. Staffing has assumed greater importance in the recent years due to advancement of technology, increase in size of business, complexity of human behavior etc. The main purpose of staffing is to put right man on right job i.e. square pegs in square holes and round pegs in round holes. According to Kootz & O’Donell, “Managerial function of staffing involves manning the organization structure through proper and effective selection, appraisal & development of personnel to fill the roles designed in the structure”. Staffing involves:

- Manpower Planning (estimating man power in terms of searching, choose the person and giving the right place).
- Recruitment, Selection & Placement.
- Training & Development.

- Remuneration.
- Performance Appraisal.
- Promotions & Transfer.

4. Directing

It is that part of managerial function which actuates the organizational methods to work efficiently for achievement of organizational purposes. It is considered life-spark of the enterprise which sets it in motion the action of people because planning, organizing and staffing are the mere preparations for doing the work. Direction is that inert-personnel aspect of management which deals directly with influencing, guiding, supervising, motivating sub-ordinate for the achievement of organizational goals. Direction has following elements:

- Supervision
- Motivation
- Leadership
- Communication

Supervision- implies overseeing the work of subordinates by their superiors. It is the act of watching & directing work & workers.

Motivation- means inspiring, stimulating or encouraging the sub-ordinates with zeal to work. Positive, negative, monetary, non-monetary incentives may be used for this purpose.

Leadership- may be defined as a process by which manager guides and influences the work of subordinates in desired direction.

Communications- is the process of passing information, experience, opinion etc from one person to another. It is a bridge of understanding.

5. Controlling

It implies measurement of accomplishment against the standards and correction of deviation if any to ensure achievement of organizational goals. The purpose of controlling is to ensure that everything occurs in conformities with the standards. An efficient system of control helps to predict deviations before they actually occur. According to Theo Haimann, “Controlling is the process of checking whether or not proper progress is being made towards the objectives and goals and acting if necessary, to correct any deviation”. According to Koontz & O’Donell “Controlling is the measurement & correction of performance activities of subordinates in order to make sure that the enterprise objectives and plans desired to obtain them as being accomplished”. Therefore controlling has following steps:

- Establishment of standard performance.
- Measurement of actual performance.
- Comparison of actual performance with the standards and finding out deviation if any.
- Corrective action.

Levels of Management

The term “**Levels of Management**” refers to a line of demarcation between various managerial positions in an organization. The number of levels in management increases when the size of the business and work force increases and vice versa. The level of management determines a chain of command, the amount of authority & status enjoyed by any managerial position. The levels of management can be classified in three broad categories:

1. **Top level / Administrative level**
2. **Middle level / Executory**
3. **Low level / Supervisory / Operative / First-line managers**

Managers at all these levels perform different functions. The role of managers at all the three levels is discussed below:



LEVELS OF MANAGEMENT

Top Level of Management

It consists of board of directors, chief executive or managing director. The top management is the ultimate source of authority and it manages goals and policies for an enterprise. It devotes more time on planning and coordinating functions.

The role of the top management can be summarized as follows -

- Top management lays down the objectives and broad policies of the enterprise.
- It issues necessary instructions for preparation of department budgets, procedures, schedules etc.
- It prepares strategic plans & policies for the enterprise.
- It appoints the executive for middle level i.e. departmental managers.
- It controls & coordinates the activities of all the departments.
- It is also responsible for maintaining a contact with the outside world.
- It provides guidance and direction.
- The top management is also responsible towards the shareholders for the performance of the enterprise.

Middle Level of Management

The branch managers and departmental managers constitute middle level. They are responsible to the top management for the functioning of their department. They devote more time to organizational and directional functions. In small organization, there is only one layer of middle level of management but in big enterprises, there may be senior and junior middle level management. Their role can be emphasized as -

- They execute the plans of the organization in accordance with the policies and directives of the top management.
- They make plans for the sub-units of the organization.
- They participate in employment & training of lower level management.
- They interpret and explain policies from top level management to lower level.
- They are responsible for coordinating the activities within the division or department.
- It also sends important reports and other important data to top level management.
- They evaluate performance of junior managers.
- They are also responsible for inspiring lower level managers towards better performance.

Lower Level of Management

Lower level is also known as supervisory / operative level of management. It consists of supervisors, foreman, section officers, superintendent etc. According to *R.C. Davis*, “Supervisory management refers to those executives whose work has to be largely with personal oversight and direction of operative employees”. In other words, they are concerned with direction and controlling function of management. Their activities include -

- Assigning of jobs and tasks to various workers.
- They guide and instruct workers for day to day activities.
- They are responsible for the quality as well as quantity of production.

- They are also entrusted with the responsibility of maintaining good relation in the organization.
- They communicate workers problems, suggestions, and recommendatory appeals etc to the higher level and higher level goals and objectives to the workers.
- They help to solve the grievances of the workers.
- They supervise & guide the sub-ordinates.
- They are responsible for providing training to the workers.
- They arrange necessary materials, machines, tools etc for getting the things done.
- They prepare periodical reports about the performance of the workers.
- They ensure discipline in the enterprise.
- They motivate workers.
- They are the image builders of the enterprise because they are in direct contact with the workers.

Classical theory of Management

1. Scientific Management

1. Development of Science for each part of men's job (replacement of rule of thumb)

- a. This principle suggests that work assigned to any employee should be observed, analyzed with respect to each and every element and part and time involved in it.
- b. This means replacement of odd rule of thumb by the use of method of enquiry, investigation, data collection, analysis and framing of rules.
- c. Under scientific management, decisions are made on the basis of facts and by the application of scientific decisions.

2. Scientific Selection, Training & Development of Workers

- a. There should be scientifically designed procedure for the selection of workers.
- b. Physical, mental & other requirement should be specified for each and every job.
- c. Workers should be selected & trained to make them fit for the job.
- d. The management has to provide opportunities for development of workers having better capabilities.
- e. According to Taylor efforts should be made to develop each employee to his greatest level and efficiency & prosperity.

3. Co-operation between Management & workers or Harmony not discord

- a. Taylor believed in co-operation and not individualism.
- b. It is only through co-operation that the goals of the enterprise can be achieved efficiently.
- c. There should be no conflict between managers & workers.
- d. Taylor believed that interest of employer & employees should be fully harmonized so as to secure mutually understanding relations between them.

4. Division of Responsibility

- a. This principle determines the concrete nature of roles to be played by different level of managers & workers.
- b. The management should assume the responsibility of planning the work whereas workers should be concerned with execution of task.
- c. Thus planning is to be separated from execution.

5. Mental Revolution

- a. The workers and managers should have a complete change of outlook towards their mutual relation and work effort.
- b. It requires that management should create suitable working condition and solve all problems scientifically.
- c. Similarly workers should attend their jobs with utmost attention, devotion and carefulness. They should not waste the resources of enterprise.
- d. Handsome remuneration should be provided to workers to boost up their moral.
- e. It will create a sense of belongingness among worker.
- f. They will be disciplined, loyal and sincere in fulfilling the task assigned to them.
- g. There will be more production and economical growth at a faster rate.

6. Maximum Prosperity for Employer & Employees

- a. The aim of scientific management is to see maximum prosperity for employer and employees.
- b. It is important only when there is opportunity for each worker to attain his highest efficiency.
- c. Maximum output & optimum utilization of resources will bring higher profits for the employer & better wages for the workers.
- d. There should be maximum output in place of restricted output.
- e. Both managers & workers should be paid handsomely.

Administrative Theory

In the last century, organizations already had to deal with management in practice. In the early 1900s, large organizations, such as production factories, had to be managed too. At the time there were only few (external) tools, models and methods available. Thanks to scientists like Henri Fayol (1841-1925) the first foundations were laid for modern management.

These first concepts, also called principles are the underlying factors for successful management. Henri Fayol explored this comprehensively and, as a result, he synthesized the 14 principles of management. Henri Fayol 's principles of management and research were published in the book '*General and Industrial Management*' (1916).

14 Principles of management

14 principles of management are statements that are based on a fundamental truth. These principles serve as a guideline for decision-making and management actions. They are drawn up by means of observations and analyses of events that managers encounter in practice. Henri Fayol was able to synthesize 14 principles of management after years of study, namely:

1. Division of Work In practice, employees are specialized in different areas and they have different skills. Different levels of expertise can be distinguished within the knowledge areas (from generalist to specialist). Personal and professional developments support this. According to Henri Fayol specialization promotes efficiency of the workforce and increases productivity. In addition, the specialization of the workforce increases their accuracy and speed. This management principle of the 14 principles of management is applicable to both technical and managerial activities.

2. Authority and Responsibility In order to get things done in an organization, management has the authority to give orders to the employees. Of course with this authority comes responsibility. According to Henri Fayol, the accompanying power or authority gives the management the right to give orders to the subordinates. The responsibility can be traced back from performance and it is therefore necessary to make agreements about this. In other words, authority and responsibility go together and they are two sides of the same coin.

3. Discipline This third principle of the 14 principles of management is about obedience. It is often a part of the core values of a mission and vision in the form of good conduct and respectful interactions. This management principle is essential and is seen as the oil to make the engine of an organization run smoothly.

4. Unity of Command The management principle 'Unity of command' means that an individual employee should receive orders from one manager and that the employee is answerable to that manager. If tasks and related responsibilities are given to the employee by more than one manager, this may lead to confusion which may lead to possible conflicts for employees. By using this principle, the responsibility for mistakes can be established more easily.

5. Unity of Direction This management principle of the 14 principles of management is all about focus and unity. All employees deliver the same activities that can be linked to the same objectives. All activities must be carried out by one group that forms a team. These activities must be described in a plan of action. The manager is ultimately responsible for this plan and he monitors the progress of the defined and planned activities. Focus areas are the efforts made by the employees and coordination.

6 Subordination of Individual Interest There are always all kinds of interests in an organization. In order to have an organization function well, Henri Fayol indicated that personal interests are subordinate to the interests of the organization (ethics). The primary focus is on the organizational objectives and not on those of the individual. This applies to all levels of the entire organization, including the managers.

7. Remuneration Motivation and productivity are close to one another as far as the smooth running of an organization is concerned. This management principle of the 14 principles of management argues that the remuneration should be sufficient to keep employees motivated and productive. There are two types of remuneration namely non-monetary (a compliment, more responsibilities, credits) and monetary (compensation, bonus or other financial compensation). Ultimately, it is about rewarding the efforts that have been made.

8 The Degree of Centralization Management and authority for decision-making process must be properly balanced in an organization. This depends on the volume and size of an organization including its hierarchy. Centralization implies the concentration of decision making authority at the top management (executive board). Sharing of authorities for the decision-making process with lower levels (middle and lower management), is referred to as decentralization by Fayol. Henri Fayol indicated that an organization should strive for a good balance in this.

9. Scalar Chain Hierarchy presents itself in any given organization. This varies from senior management (executive board) to the lowest levels in the organization. Henri Fayol 's "hierarchy" management principle states that there should be a clear line in the area of authority (from top to bottom and all managers at all levels). This can be seen as a type of management structure. Each employee can contact a manager or a superior in an emergency situation without challenging the hierarchy. Especially, when it concerns reports about calamities to the immediate managers/superiors.

10. Order According to this principle of the 14 principles of management, employees in an organization must have the right resources at their disposal so that they can function properly in an organization. In addition to social order (responsibility of the managers) the work environment must be safe, clean and tidy.

11. Equity The management principle of equity often occurs in the core values of an organization. According to Henri Fayol, employees must be treated kindly and equally. Employees must be in the right place in the organization to do things right. Managers should supervise and monitor this process and they should treat employees fairly and impartially.

12. Stability of Tenure of Personnel This management principle of the 14 principles of management represents deployment and managing of personnel and this should be in balance with the service that is provided from the organization. Management strives to minimize

employee turnover and to have the right staff in the right place. Focus areas such as frequent change of position and sufficient development must be managed well.

13. Initiative Henri Fayol argued that with this management principle employees should be allowed to express new ideas. This encourages interest and involvement and creates added value for the company. Employee initiatives are a source of strength for the organization according to Henri Fayol. This encourages the employees to be involved and interested.

14. Esprit de Corps The management principle 'esprit de corps' of the 14 principles of management stands for striving for the involvement and unity of the employees. Managers are responsible for the development of morale in the workplace; individually and in the area of communication. Esprit de corps contributes to the development of the culture and creates an atmosphere of mutual trust and understanding.

Max Weber bureaucratic theory

Principles of bureaucratic theory

- 1) **Job specialization:** – Jobs are divided into simple, routine and fixed category based on competence and functional specialization.
- 2) **Authority hierarchy:** – Officers are organized in a hierarchy in which higher officer controls lower position holders i.e. superior controls subordinates and their performance of subordinates and lower staff could be controlled.
- 3) **Formal selection:** – All organizational members are to be selected on the basis of technical qualifications and competence demonstrated by training, education or formal examination.
- 4) **Formal rules and regulations:** – To ensure uniformity and to regulate actions of employees, managers must depend heavily upon formal organizational rules and regulations. Thus, rules of law lead to impersonality in interpersonal relations.
- 5) **Impersonality:** – Rules and controls are applied uniformly, avoiding involvement with personalities and preferences of employees. Nepotism and favoritism are not preferred.

Limitations of bureaucratic theory

- 1) **Informal relationship is not considered:** – It does not consider the informal relationships between individuals working in the organizations.
- 2) **Outdated system:** – Its system of control and authority are outdated which can't work in such a changed environment.

3) **Inadequate means:** – Bureaucratic theory does not possess adequate means resolving differences and conflicts arising between functional groups.

Hawthorne Experiment/Elton Mayo contribution to management:

In 1927, a group of researchers led by Elton Mayo and Fritz Roethlisberger of the Harvard Business School were invited to join in the studies at the Hawthorne Works of Western Electric Company, Chicago. The experiment lasted up to 1932. The Hawthorne Experiments brought out that the productivity of the employees is not the function of only physical conditions of work and money wages paid to them. Productivity of employees depends heavily upon the satisfaction of the employees in their work situation. Mayo's idea was that logical factors were far less important than emotional factors in determining productivity efficiency. Furthermore, of all the human factors influencing employee behaviour, the most powerful were those emanating from the worker's participation in social groups. Thus, Mayo concluded that work arrangements in addition to meeting the objective requirements of production must at the same time satisfy the employee's subjective requirement of social satisfaction at his work place. The Hawthorne experiment consists of four parts. These parts are briefly described below:-

1. Illumination Experiment.
2. Relay Assembly Test Room Experiment.
3. Interviewing Programme.
4. Bank Wiring Test Room Experiment.

1. Illumination Experiment:

This experiment was conducted to establish relationship between output and illumination. When the intensity of light was increased, the output also increased. The output showed an upward trend even when the illumination was gradually brought down to the normal level. Therefore, it was concluded that there is no consistent relationship between output of workers and illumination in the factory. There must be some other factor which affected productivity.

2. Relay Assembly Test Room Experiment:

This phase aimed at knowing not only the impact of illumination on production but also other factors like length of the working day, rest hours, and other physical conditions. In this experiment, a small homogeneous work-group of six girls was constituted. These girls were friendly to each other and were asked to work in a very informal atmosphere under the supervision of a researcher. Productivity and morale increased considerably during the period of the experiment. Productivity went on increasing and stabilized at a high level even when all the improvements were taken away and the pre-test conditions were reintroduced. The researchers concluded that socio-psychological factors such as feeling of being important, recognition, attention, participation, cohesive work-group, and non-directive supervision held the key for higher productivity.

3. Mass Interview Programme:

The objective of this programme was to make a systematic study of the employees' attitudes which would reveal the meaning which their "working situation" has for them. The researchers interviewed a large number of workers with regard to their opinions on work, working conditions and supervision. Initially, a direct approach was used whereby interviews asked questions considered important by managers and researchers. The researchers observed that the replies of the workmen were guarded. Therefore, this approach was replaced by an indirect technique, where the interviewer simply listened to what the workmen had to say. The findings confirmed the importance of social factors at work in the total work environment.

4. Bank Wiring Test Room Experiment:

This experiment was conducted by Roethlisberger and Dickson with a view to develop a new method of observation and obtaining more exact information about social groups within a company and also finding out the causes which restrict output. The experiment was conducted to study a group of workers under conditions which were as close as possible to normal. This group comprised of 14 workers. After the experiment, the production records of this group were compared with their earlier production records. It was observed that the group evolved its own production norms for each individual worker, which was made lower than those set by the management. Because of this, workers would produce only that much, thereby defeating the incentive system. Those workers who tried to produce more than the group norms were isolated, harassed or punished by the group.

MODERN APPROACH

1. System Approach to Management: Features of Systems Approach:

- (i) A system consists of interacting elements. It is set of inter-related and inter-dependent parts arranged in a manner that produces a unified whole.
- (ii) The various sub-systems should be studied in their inter-relationships rather, than in isolation from each other.
- (iii) An organisational system has a boundary that determines which parts are internal and which are external.
- (iv) A system does not exist in a vacuum. It receives information, material and energy from other systems as inputs. These inputs undergo a transformation process within a system and leave the system as output to other systems.
- (v) An organisation is a dynamic system as it is responsive to its environment. It is vulnerable to change in its environment.

Contingency Approach of Management A contingency approach to management is based on the theory that management effectiveness is contingent, or dependent, upon the interplay between the application of management behaviors and specific situations. In other words, the way you manage should change depending on the circumstances. One size does not fit all.

Features of Contingency Theory:

- Management is situational in nature. The technique of management depends on complexity of the situation.
- Management principles are not universal in nature as there is no best style of management. Management is situational and managerial actions depend upon the environmental circumstances.
- It helps in understanding the complex organisations as it focuses on multivariate nature of organisations. It helps an organisation to operate under different environmental conditions. Rather than having a specific solution to solve problems, it provides a framework where every solution depends upon the environmental conditions. Same problem can have different solutions at different points of time and different problems can have same solution at the same point of time.
- It provides insight into organisation's adaptability to both internal and external environment. It is a matter of fitting the internal environment to its external environment.

UNIT-2

PLANNING AND ORGANIZING

PLANNING

Planning is the process used by managers to identify and select goals and courses of action for the organization.

- Planning is deciding in advance what to do, how to do it, when to do it and who is to do it.
- Planning bridges the gap from between where we are to where we want to go.

Planning is an important managerial function in that there is no choice between planning and no planning. The choice is only in regard to the method and techniques used to plan. It is anybody's knowledge that we plan many things in our day to day lives. We plan to go on a holiday trip, plan our careers, and plan our investments and so on. Organizations are no exception. Lot of planning is done by managers at all levels. Planning is the basic process by which we use to select our goals and determine the means to achieve them. Lot of information has to be gathered and processed before a plan is formulated. In other words, a plan is like a jigsaw puzzle. All the pieces have to be put together properly, so that they make sense.

Planning is necessarily forward looking. It is looking into the future. It bridges the gap between where we are and where we want to go. It involves visualizing a future course of action and putting it in a logical way.

Let us look at the following observations about planning.

- Failure to plan is planning to fail.
- Planning is outlining a future course of action in order to achieve objective
- Planning is looking ahead.
- Planning is getting ready to do something tomorrow.
- Plan is a trap laid down to capture the future.

Purpose of Planning

It is no exaggeration that in the absence of planning events are left to chance. In such a case, you as a manager are depending on luck. You may, as a result, in all probability end up in frustration. Organizations often fail not because of lack of resources, but because of poor planning. Whatever the resources you have, in the absences of systematic planning, the resources may not help you in achieving the objectives. The following factors further highlight the importance of planning; a. To achieve objectives

While developing a plan, you have to ask yourself a few questions. Why am I making this plan?
What am I trying to accomplish?

What resources do I need to execute the plan?

a. Objectives are the ends sought to be achieved by the organizations. The above questions, if properly answered provide lot of clarity to the objectives. In other words, they force you to be clear about the objectives, the time frame required to achieve them and the resources required. It forces you to visualize the future in an organized manner.

The saying that “when a man doesn’t know what harbour he is making for, no wind is the right wind” is quite appropriate in the case of planning.

Systematic planning, thus, starts with a clear statement of objectives. All the important inputs necessary to achieve the objectives are carefully thought of.

The uncertainties of the future, if any, are also taken into consideration.

b. Plans make the things happen Effective managers anticipate future and prepare themselves to meet the challenges of the future. They are rather pro-active. They influence the outcome of the events in a significant way. In any modern business, the interests of many people are involved. The shareholders, employees, creditors, consumers and the Government are the major interest groups in any organization. Further, the interests and expectations of all these groups are varied and at times are in conflict. That apart, they constantly change in a dynamic business environment. In the light of the uncertainties involved in the environment, your job, as a manager, is to foresee the future and predict the consequences of actions. In other words, you have to look down the road into future and prepare yourself to meet the uncertainties ahead. A well thought out plan solves many of the problems associated with the future.

c. Plans help to cope with change Organizations are products of environment. The ability to deal with the environment has enabled many an organization to survive, despite other weaknesses. Alert managements continually tune in to the environmental forces. On the other hand, managements which fail to adapt would eventually fall on the way side. Therefore, in the managerial job, you have to constantly analyze the impending changes in the environment and assess their impact on your business. For instance, the liberalization policies pursued by the government have, of late, brought in too many changes. Markets are shifting due to increased competition. Pressure on the existing resources is increasing. Expectations of the employees as well as the consumers are changing. Product life cycles are becoming shorter due to rapid technological changes. All these changes exert a tremendous pressure on the management. d. Plans double up as tools to control the events Planning and control are often described as the ‘Siamese’ twins of management. When you plan the events, you make them happen in a particular way.

The specific objectives decided in advance themselves become the standards. Therefore, it goes without saying that plans provide mechanism to know whether the events are happening in the way expected.

Planning ensures the events to conform to plans. Thus, if you do not plan (no clear objectives), you do not know what to control. Control assumes significance in a dynamic environment as of today, where several forces push you away from reaching the goal. Appropriate control devices help you to check the course from time to time, so that you will be able to take the appropriate corrective measures.

Principles of Planning

Systematic planning is essential for the success and survival of any organization. Organizations fail not because they don't plan, but because they don't plan in an effective way. An understanding of the following principles helps one to achieve effectiveness in planning, so that you can guard yourself against the possible mistakes that are often committed by managers.

i. Take Time to Plan

As the plan is a decision regarding a future course of action, it specifies the sequence of events to be performed. It involves the commitment of organizational resources in a particular way. Therefore, if a plan is not conceived well, the resources would be put to wrong use. It becomes a wasteful exercise resulting in agony and frustration. To avoid such unpleasant outcomes, several probing questions have to be asked. Planning in haste with incorrect information, unsound assumptions and inadequate analysis of the environment has to be avoided by all means. Otherwise, you may save some time in quickly developing a plan, but in the event of things going wrong, you are hard pressed for time and resources to correct yourself. It not only lands you in trouble, but the organization as well.

ii. Planning can be top down and bottom up

Normally in any organization major enterprise plans are developed by the top management. These plans are wider in scope and provide the direction to the whole organization. They spell out what the organization wants to achieve over the years. The overall plan thus formulated by the top management is split into departmental plans. Accordingly, plans for production, marketing, finance, personnel and so on, stem from the basic plan of the organization. The other operational plans at various levels down the organization flow from the departmental plans. This approach is called top-down approach to planning.

In contrast, bottom-up approach involves information emanating from the lower levels – that is, top management collects information from lower levels. On the basis of such information, plans are formulated. The underlying assumption is that people at the operational level are closer to the action and they possess valuable information. In this approach, the initiative for planning comes

from the lower levels in the organization. This approach makes use of the rich experience of the subordinates. It also helps to motivate the people and elicit commitment from them. However, the choice of the method depends on the size of the organization, the organizational culture, the preferred leadership style of the executive and the urgency of the plan.

iii. Involve and communicate with all those concerned Modern business organizations are so complex that various operations are highly interrelated. Such an interrelation of activities requires the involvement of all the people concerned with the achievement of goals. For instance, a plan to improve the quality of the products (Quality control plan) may require the cooperation of the people in the production. Such participation helps in instilling a sense of commitment among the people. They also in turn gain a sense of pride for having been a party in deciding the plan. Such an involvement makes possible the process of sharing information. If concerned people are not involved, there may be unnecessary gaps in the execution because of lack of understanding of the plans.

iv. Plans must be flexible and dynamic Your managerial career indeed would be a “bed of roses” if there are no unexpected changes in the environment. Day in and day out, you are confronted with too many changes forcing you into so many dilemmas or problems. Most of such problems are caused by unexpected events in the environment. If the plan is rigid with less scope for modifications as required by the changes in the environment, the organization would ultimately sink. In a static environment, of course, there may not be a problem with a rigid plan. But in a dynamic environment, to meet the unexpected changes, adequate flexibility has to be built into the plan. Otherwise, the plan itself becomes a limiting factor.

v. Evaluate and revise- While building into the plans the required flexibility, you should not lose sight of the additional costs involved to buy such flexibility. You must also remember that flexibility in plans may not be possible always. For example, a plan for a petroleum refinery may not offer any flexibility because the machinery can hardly be used for any other purpose. Evaluation of the plan at regular intervals is necessary to make sure that it is contributing to the objectives. Like a pilot, who in the high skies checks the course to make sure that he is flying in the right direction and at the right altitude, the manager has to evaluate and review the plan. Such an exercise enables to initiate the corrective measures at the right time before it is too late. This depends on the accuracy of the information systems in the organization.

STEPS IN PLANNING

Though there may be a few variations in the exact procedure adopted by different organizations in planning, the following are the broad steps:

a. Setting of goals

Planning begins with decisions about what the organization wants to achieve during a specified period. The goals of an organization and various subunits have to be decided and spelt out in

clear terms. It is always desirable to express the goals in quantitative terms for all the key areas of the business like production, profit, productivity, market share, employee relations, social responsibilities, etc. For instance, instead of saying that the objective of business is to achieve a fair rate of return on the investment, it may be given a quantitative expression, say, 10 or 15 percent return on the investment. The time frame in which the objectives have to be achieved must also be specified. Besides, adequate attention has to be paid to the resources required to achieve the objectives. Thus what to achieve, when, how and with what resources are a few important questions that should be answered at this stage. Since goal setting is the essential first step in planning, managers who fail to set meaningful goals cannot make effective plans. If Telco is able to retain its dominance in the Heavy Commercial Vehicle (HCV) segment, it is because all the employees of the organization know clearly that the primary objective is retaining the leadership in the industry. For instance, SAIL's corporate mission "Infrastructuring India" explains basic purpose and board objectives of the company to a larger extent. The mission of the organization, the corporate values, experience, policies provide adequate guidance to the managers in goal setting.

b. Outlining Planning premises Planning premises, in simple, are the assumptions about the various elements of the environment. Planning assumptions or premises provide the basic framework in which plans operate. Appropriate assumptions have to be made on various aspects of the environment – both internal and external to the organization. Otherwise, it will be like fighting a battle without a clear assessment of the enemy's strengths and weaknesses.

Internal premises: Important internal premises include sales forecasts and policies of the organization. Each one of these elements is a critical success factor. For instance, the accuracy of the sales forecast influences the procurement of resources, production scheduling and the marketing strategies to be pursued to achieve the objectives. Similarly, however effective the objectives are, it is the people who have to perform and achieve. If their attitude is not positive, nothing moves. ii.

External premises: Important external premises relate to all those factors in the environment outside the organization. They include issues related to technology, general economic conditions, government policies and attitude towards business, demographic trends, socio-cultural changes in the society, political stability, degree of competition in the market, availability of various resources and so on. It is evident that some of these factors are tangible while others are intangible. For example, material and human resources availability, etc. are tangible factors which can be stated in quantitative terms. On the other hand factors like political stability, attitudes of the people, certain other sociological factors are intangible, in that they cannot be measured quantitatively. Effective premising – the making of appropriate assumptions, helps the organization to identify the favourable and unfavourable elements in the environment. Though accurate premising is difficult, anticipating future situations, problems and opportunities would undoubtedly help the managers in reducing the risk, though not completely eliminating it.

c. Decide the planning period

How far in the future should a plan be made is another pertinent question in the process of planning. Businesses vary in their planning periods. In some cases plans are made for a short period, varying from a few months to a year, while in some other cases, they are made to cover a longer period, to cover a period of more than a year. The period may extend up to 5-10 years and even beyond. Companies normally plan for a period that can be reasonably anticipated. The lead time involved in the development and commercialization of a product and time required to recover the capital investment (pay-back period) influence the choice of the length of the plan. Again, in the same organization, different plan periods may exist for different purposes. This gives rise to the two important concepts – operational planning and strategic planning. While operational plans focus on the short-term, strategic plans focus on the long-term

d. Develop alternatives and select the course of action

The next logical step in planning involves the development of various alternative courses of action, evaluating these alternatives and choosing the most suitable alternative. Objectives may be achieved by different courses of action (alternatives). For example, technical know-how may be developed by in-house research, collaboration with a foreign company or by tying up with a research laboratory. Similarly, an organization can grow by expanding its scale of operations or through acquisitions and mergers. Technical feasibility, economic viability and the impact on the society are the general thumb rules to select the course of action. The alternative courses are evaluated in the light of the premises and the overall goals of the organization.

e. Derivative plans

The plan finalized after a thorough analysis of various alternatives suggests the proposed course of action. To make it operational, it has to be split into departmental plans. Plans for the various operational units within the departments have to be formulated. The plans thus developed for the various levels down the organization are called derivative plans. For instance, production and marketing of 10,000 units of a product and achieving a return of 10 percent on the investment may be the enterprise's plan relevant for the whole organization. Its effective execution is possible only when specific plans are finalized for the various departments like production, marketing, finance, personnel and so on with clear-cut objectives to be pursued by these departments.

f. Review periodically Success of the plan is measured by the results and the ease with which it is implemented. Therefore, provision for adequate follow-up to determine compliance should be included in the planning work. To make sure that the plan is contributing for the results, its review at regular intervals is essential. Such a review helps in taking corrective action, when the plan is in force.

Why Planning is Important?

Planning determines where the organization is now and where it will be in the future. Good planning provides:

- ✓ **Participation:** all managers are involved in setting future goals.
- ✓ **Sense of direction & purpose:** Planning sets goals and strategies for all managers.
- ✓ **Coordination:** Plans provide all parts of the firm with understanding about how their systems fit with the whole.
- ✓ **Control:** Plans specify who is in charge of accomplishing a goal.

Characteristics of Plans

Time horizon: refers to how far in the future the plan applies.

Long-term plans are usually 5 years or more.

Intermediate-term plans are 1 to 5 years.

Corporate and business level plans specify long and intermediate term.

Short-term plans are less than 1 year.

Functional plans focus on short to intermediate term.

Most firms have a rolling planning cycle to amend plans constantly.

Three Stages of the Planning Process

1. **Determining the Organization's mission and goals (Define the business)**
2. **Strategy formulation (Analyze current situation & develop strategies)**
3. **Strategy Implementation (Allocate resources & responsibilities to achieve strategies)**

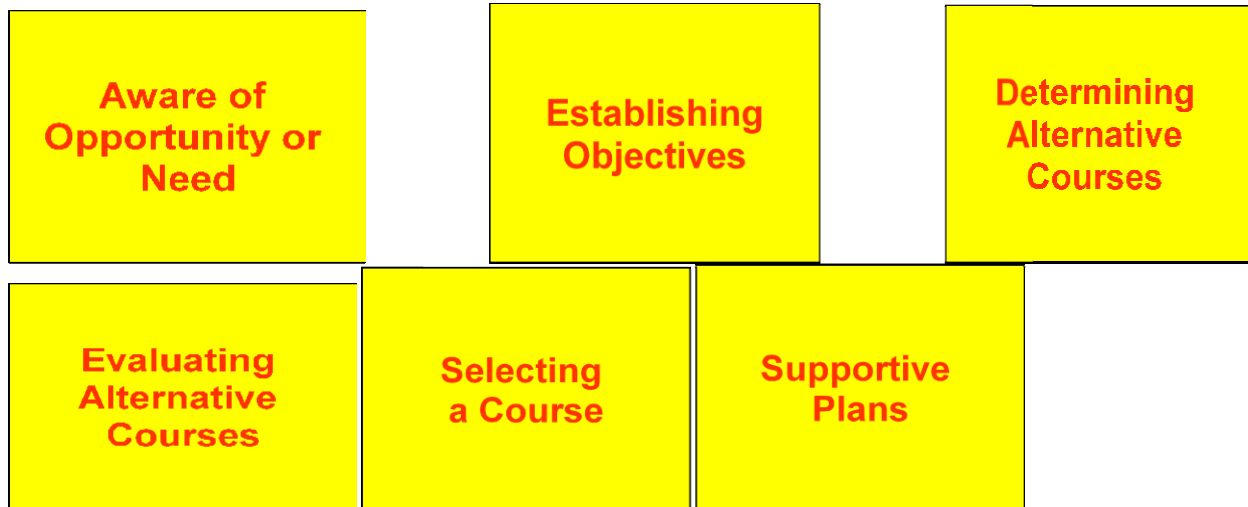
Planning Process Stages

Organizational mission: defined in the mission statement which is a broad declaration of the overriding purpose.

The mission statement identifies product, customers and how the firm differs from competitors.

Formulating strategy: managers analyze current situation and develop strategies needed to achieve the mission.

Implementing strategy: managers must decide how to allocate resources between groups to ensure the strategy is achieved.



Steps in Planning Process

1. Analyzing Business Environment
2. Establishing Objectives
3. Setting Planning Premises
 - a. Internal Planning Premises
 - b. External Planning Premises
4. Identifying Alternatives
5. Evaluating Alternatives
6. Selecting Best Alternatives
7. Formulating Secondary Plans Also known as Derivative Plans
8. Implementing of Plan and Reviewing of Results

Plans

“Plans are documents that outline how goals are going to be met”

- ☐ Planning is a process and plan is the end result of the process
- ☐ Planning is process of taking decisions and Plan indicates decisions already arrived at
- ☐ Planning Process ends with the plan

Types of Plans

- Strategic Plans
- Operational Plans
- Short- Term Plans
- Intermediate Plans
- Long-Term Plans

Organizing

Organizations achieve objectives by using physical and human resources. When people work in groups, everyone in the group should know what he/she is expected to achieve and with what resources. In other words, organizing involves establishing authority - responsibility relationships among people working in groups and creating a structural framework. Thus, the manager's task in organizing aims at creating a structure that facilitates the achievement of goals. Organizing therefore involves:

- determination of activities required to achieve goals;
- grouping of these activities into departments;
- assignment of such groups of activities to a manager;
- delegation of authority to carry them out; and
- provision for coordination horizontally and vertically in the organization.

The managerial function of organizing involves designing the structure and establishing functional and operational relationships. The resulting structure varies with the task. A large organization with huge market needs a different structure compared to a small organization. Similarly, structure of an organization operating in a stable environment may be different from the one operating in a dynamic environment.

The managerial function organizing may be understood as “defining and grouping the activities of the enterprise and establishing authority, responsibility and relationships among them”. It results in the creation of a structure most appropriate for the organization's objectives and other internal and external factors. The best structure is the one that enables the organization to interact effectively with its environment, to efficiently channelize the efforts of its people, to make efficient use of its resources. Thus, while planning specifies the objectives, organizing facilitates the accomplishment of objectives.

Organizing is a multi-step process consisting of the following

- Detailing all the work that must be done to attain the objectives; (identification of tasks involved)

- Dividing the total work into activities that can logically and comfortably be performed by one person or by a group of persons; (differentiation);
- Grouping the related tasks in a logical manner (departmentation);
- Setting up a mechanism to coordinate the work of members into a unified whole by establishing authority – responsibility relationships, (delegation and decentralization of authority)
- Monitoring effectiveness of the organization and making adjustments to maintain or increase its effectiveness.

The various steps in organizing process results in a structure that facilitates the performance of tasks in a cohesive way. The resulting structure, however, is not a static form, like the structure of a building. Since structure is based on plans, major revision of plans may necessitate a corresponding modification of structure. As such, organizing and reorganizing are ongoing processes.

Successful organizations continuously assess the appropriateness of their structure and change it in accordance with the dictates of the environment. It is anybody's knowledge that many Indian companies are restructuring their activities to meet the new challenges in the present liberalization era. Organization structures are modified periodically in response to the environmental demands. Management expert Tom Peters estimates that about 50 percent of organization problems arise from inappropriate organization structure. Because adaptation is a key to competitive survival, the 'right' structure for an organization is determined by numerous factors. For this reason, selecting an organization structure might best be described as an evolutionary, trial-and-error process.

Authority

“Authority is the special rights granted to position holder in the organization. Such rights enable him to decide, to command and to allocate resources, to get the decision executed”

Power

“Power is potential ability to influence behavior, to change the course of events, to overcome resistance, and to get people do things that they would not otherwise do”

Jeffrey Pfeffer

“The ability to influence others behavior”

Types of Power

1. It is Coercive Power: “It is the perceived ability to provide sanctions, punish or consequences for not performing.

2. Connection Power: perceived association of the leader with influential persons in the organization” provide things that people would like to have”
3. Reward Power: “It is the perception that leader ha
4. Legitimate power: It is the perceived ability to s the right to make decisions and/or to order others because of title, role, status or position6. Charismatic Power.
5. Referent power refers to a leaders ability to influence other by his personal magnetism, enthusiasm and strongly held convictions.

“It is the perception of the people that leader is capable to provide encouragement, build confidence and solve their problems.”

Job design

Importance of Job Design

- ▯ JD is a very important function of staffing.
- ▯ If the jobs are designed properly, then highly efficient managers will join the organization.
- ▯ They will be motivated to improve the productivity and profitability of the organization.
- ▯ If the jobs are designed badly, then it will result in absenteeism, high labor turnover, conflicts, and other labor problems.

Factors Affecting Job Design

1. Proper scope of job
 - ▯ The scope of the job should be proper.
 - ▯ If the scope is narrow (less), then the job will not be challenging.
 - ▯ It will not give an opportunity for development.
 - ▯ If the scope is very wide, then the manager will not be able to handle it properly. This will cause stress, frustration and loss of control.
 - ▯ Therefore, scope of the job must be balanced and proper.
2. Full-time challenge of the job
 - ▯ So that it takes up the full-time and effort of the manager.

- ▯ If not, the manager will have a lot of free time.
- ▯ He will use this free time to interfere in the work of his subordinates.

3. Managerial skills

- ▯ All managers do not have equal skills.
- ▯ So jobs should be designed after considering the skills of the manager.
- ▯ A manager having a high level of skill should be given very challenging jobs while a manager having a low level of skill should be given fewer challenging jobs

4. Organization's requirements

- ▯ Jobs must be designed according to the requirements of the organization.

5. Individual likes and dislikes

- ▯ Some people like to work alone while some people prefer to work in groups.
- ▯ So, individual likes and dislikes must be considered while designing the job.

6. Organizational structure

- ▯ Organizational structure also affects the job design. Individual jobs must fit into the organization's structure.

7. Technology

- ▯ The level of technology used by the organization also affects the job design.
- ▯ An organization having a high level of technology will have different job designs compared to an organization having a low level of technology.

▯ Job Simplification

▯ Job Rotation

▯ Job Enlargement

UNIT-3

LEADERSHIP AND MOTIVATION

Leadership

Leader is a person who can influence others and who has a managerial authority.

Leadership is -

The process of influencing and supporting others to work enthusiastically towards achieving goals.

A process of influencing a group to achieve goals.

Leader Vs Manager

- ✓ Leaders are concerned with doing the right thing, while managers are concerned with doing things right.
- ✓ Leaders-What should we be doing
- ✓ Managers-How can we do what we're already doing better
- ✓ Leaders focus on vision, mission, goals and objectives, while managers focus on productivity and efficiency.
- ✓ Leaders – Long term perspective
- ✓ Managers – Short term perspective.

Characteristics of leadership

- ✓ Empathy
- ✓ Consistency
- ✓ Honesty Direction
- ✓ Communication
- ✓ Needs support from all Assume obligation.

Importance of leadership.

Initiates action

Motivation

Guidance

Creating confidence

Co-ordination

Effective planning

Inspiration & motivation

Theories of Leadership

1. Great Man Theory

The **great man theory** is a 19th-century idea according to which history can be largely explained by the impact of **great** men, or heroes; highly influential individuals who, due to their personal charisma, intelligence, wisdom, or political skill used their power in a way that had a decisive historical impact.

The theory was popularized in the 1840s by Scottish writer Thomas Carlyle. But in 1860 Herbert Spencer formulated a counter-argument that has remained influential throughout the 20th century to the present: Spencer said that such great men are the products of their societies, and that their actions would be impossible without the social conditions built before their lifetimes.

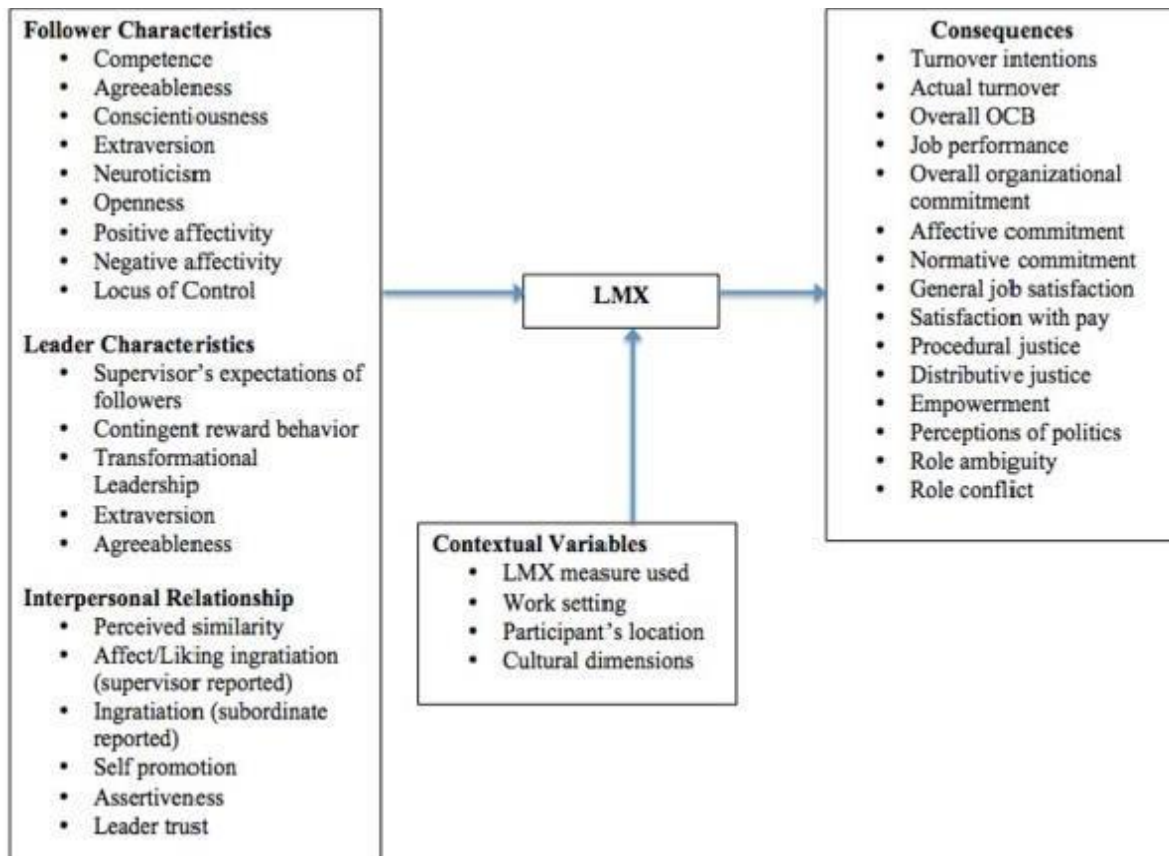
According to this theory:

- Leaders are born, not made. This approach emphasized that a person is born with (or) without the necessary traits of leadership.
- Belief that people were born with these traits and only the great people possessed them
- Great Man approach actually emphasis “Charismatic” leadership
- No matter what group such a natural leader finds himself in, he will always be recognized for what he is
- Leadership calls for certain qualities like commanding, personality, charm, courage, intelligence, pervasiveness and aggressiveness.

2. Leader–member exchange theory

According to this theory leadership is focused on interactions between a leader and a subordinate. Traditionally leadership is something that was done at the group level. But LMX theory focuses on interactive relationship not just leader follower relationship. According to LMX leader should not have same association with every member of the group because people are different their needs are different and leader need to interact accordingly

The goal of LMX theory is to explain the effects of leadership on members, teams, and organizations. According to the theory, leaders form strong trust, emotional, and respect-based relationships with some members of a team, but not with others. LMX theory claims that leaders do not treat each subordinate the same. The work-related attitudes and behaviors of those subordinates depend on how they are treated by their leader.



Stages in making of LMX theory

In their 1995 paper titled "Relationship-Based Approach to Leadership: Development of Leader-Member Exchange (LMX) Theory of Leadership over 25 Years: Applying a Multi-Level Multi-Domain Perspective," George B. Graen and Mary Uhl-Bien discuss the development of LMX from through four evolutionary stages.

Stage 1: Vertical dyad linkage

Graen and Uhl-Bien explain that research into issues relating to leader-member exchange began with studies on work socialization and vertical dyad linkage which found that many managerial processes in organizations occurred on a dyadic basis, with managers forming differentiated relationships with those who reported to them. Longitudinal studies of management teams were conducted in which managers and those who reported to them were asked to describe their work and working relationships in terms of inputs, process, and outcomes. When asked to describe their manager's behavior, different employees gave very different descriptions of the same person some employees described what are called "high-quality exchanges" (also known as "in-group"), which are "characterized by a high degree of mutual trust, respect, and obligation." Others described "low-quality exchanges" (also known as "out-group"), which are "characterized by low trust, respect, and obligation. According to Graen and Uhl-Bien, early

VDL research concluded that these differentiated relationships resulted from a manager's limited time and social resources, allowing him/her to form only a few higher-quality exchange relationships.

Stage 2: Leader–member exchange

In the second stage, terminology shifted from vertical dyad linkage to leader–member exchange. Graen and Uhl-Bien explain that VDL research was followed by a series of studies which moved the theory "beyond a description of the differentiated relationships in a work unit to an explanation of how these relationships develop and what the consequences of the relationships are for organizational functioning". A number of studies analyzed the specific characteristics of LMX relationships, and other studies analyzed the relationship between LMX and organizational outcomes/consequences. Graen and Uhl-Bien describe the central concepts of LMX research at this time as: "(1) development of LMX relationships is influenced by characteristics and behaviors of leaders and members and occurs through a role-making process, and (2) higher-quality LMX relationships have very positive outcomes for leaders, followers, work units, and the organization in general.

Stage 3: Leadership-making

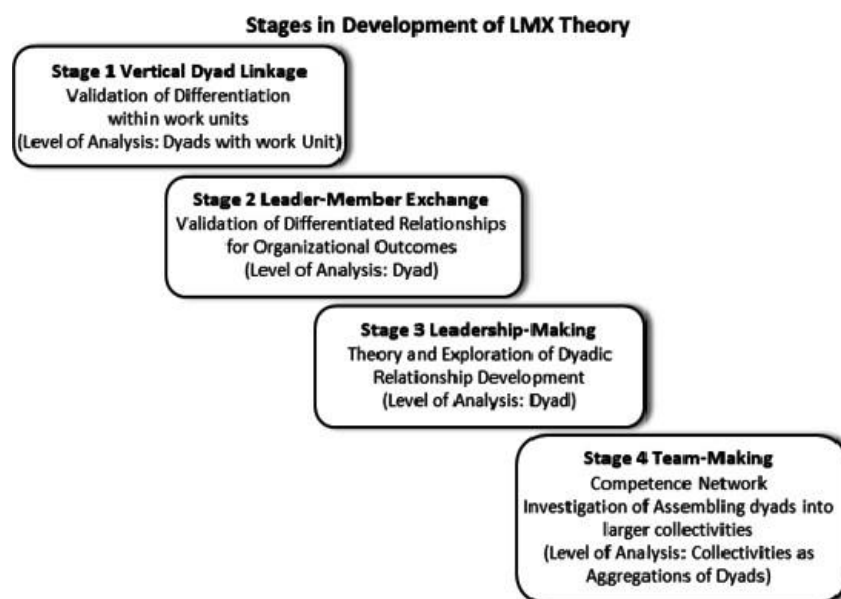
Graen and Uhl-Bien recount that the research in the third stage moved beyond "in-groups" and "out-groups" and focused more on producing effective leadership process through the development of effective leadership relationships.

According to Graen and Uhl-Bien, the key difference in this stage is that it says that managers should make high-quality LMX relationships available to all employees, rather than having differentiated relationships among employees as described in the VDL approach. This stage uses the Leadership Making model to provide a more prescriptive and practically useful model of leadership development. The idea of Leadership Making began with two longitudinal field experiments that analyzed what would happen if leaders were trained to give all of their subordinates the opportunity to develop a high-quality relationship. Results showed that the performance of subordinates who took advantage of the opportunity to develop a high-quality LMX improved dramatically. Overall, the performance of the work unit improved by increasing the number of high-quality LMX relationships.

The Leadership Making model was developed based on these studies to emphasize the importance of forming high-quality relationships within organizations and to outline a process for how these relationships might be formed and maintained in practice. The model describes a process in which leader–member relationships go from a "stranger" phase (characterized by formal, contractual interactions) to an "acquaintance" stage (characterized by increased social exchanges and the sharing of information and resources on a personal and work level) to a level of "mature partnership" exchanges (characterized by "in kind" exchanges that are behavioral and emotional, by loyalty, by support, by mutual respect, by trust, and by a high degree of incremental influence).

Stage 4: Team-making

At the fourth stage Graen and Uhl-Bien propose using a systems-level perspective to investigate how differentiated dyadic relationships combine to form larger, network systems. These networks are what make up an organization's "leadership structure", or the "pattern of leadership relationships among individuals throughout the organization". Graen and Uhl-Bien explain that the leadership structure emerges from the network of relationships and mutual dependencies that develop as organization members fulfill roles and complete tasks. Investigation at this stage analyzes task interdependencies and the quality of the relationships that develop due to these interdependencies. Specifically, research seeks to identify where more effective leadership relationships have a large impact on task performance as well as how differentiated relationships affect each other and the entire leadership structure.



3. Fiedler's Contingency Model

Fred E. Fiedler's contingency theory of leadership effectiveness was based on studies of a wide range of group effectiveness, and concentrated on the relationship between leadership and organizational performance. This is one of the earliest situation-contingent leadership theories given by Fiedler. According to him, if an organization attempts to achieve group effectiveness through leadership, then there is a need to assess the leader according to an underlying trait, assess the situation faced by the leader, and construct a proper match between the two.

Leader's trait

In order to assess the attitudes of the leader, Fiedler developed the 'least preferred co-worker' (LPC) scale in which the leaders are asked about the person with whom they least like to work. The scale is a questionnaire consisting of 16 items used to reflect a leader's underlying

disposition toward others. The items in the LPC scale are pleasant / unpleasant, friendly / unfriendly, rejecting / accepting, unenthusiastic / enthusiastic, tense / relaxed, cold / warm, helpful / frustrating, cooperative / uncooperative, supportive / hostile, quarrelsome / harmonious, efficient / inefficient, gloomy / cheerful, distant / close, boring / interesting, self-assured / hesitant, open / guarded. Each item in the scale is given a single ranking of between one and eight points, with eight points indicating the most favorable rating.

Friendly									Unfriendly
	8	7	6	5	4	3	2	1	

Fiedler states that leaders with high LPC scores are relationship-oriented and the ones with low scores are task-oriented. The high LPC score leaders derived most satisfaction from interpersonal relationships and therefore evaluate their least preferred co-workers in fairly favorable terms. These leaders think about the task accomplishment only after the relationship need is well satisfied. On the other hand, the low LPC score leaders derived satisfaction from performance of the task and attainment of objectives and only after tasks have been accomplished, these leaders work on establishing good social and interpersonal relationships.

Situational factor

According to Fiedler, a leader's behavior is dependent upon the favorability of the leadership situation. Three factors work together to determine how favorable a situation is to a leader. These are:

- **Leader-member relations** - The degree to which the leaders is trusted and liked by the group members, and the willingness of the group members to follow the leader's guidance
- **Task structure** - The degree to which the group's task has been described as structured or unstructured, has been clearly defined and the extent to which it can be carried out by detailed instructions
- **Position power** - The power of the leader by virtue of the organizational position and the degree to which the leader can exercise authority on group members in order to comply with and accept his direction and leadership

With the help of these three variables, eight combinations of group-task situations were constructed by Fiedler. These combinations were used to identify the style of the leader.

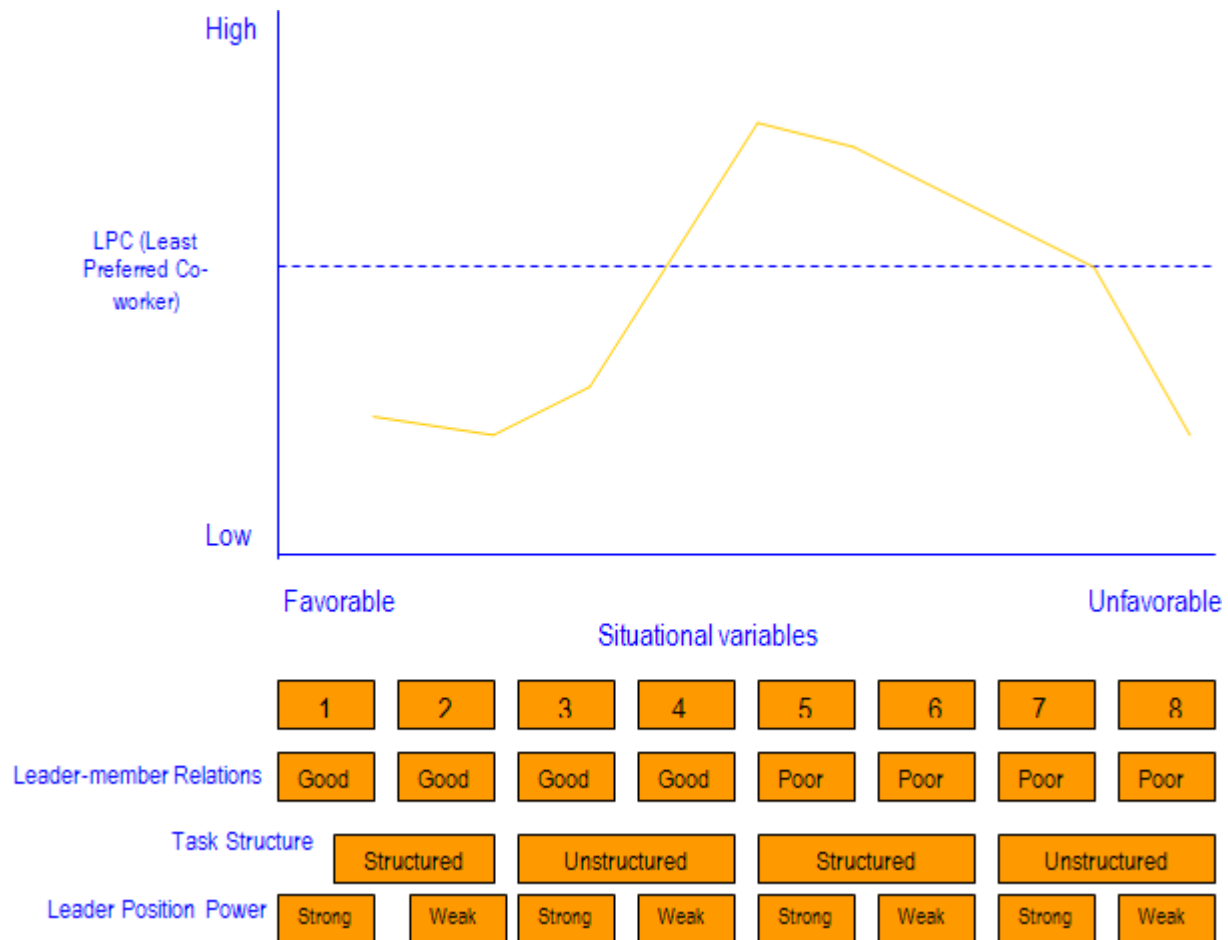


Figure 1: Correlation between leader's LPC scores and group effectiveness

Leadership Effectiveness

The leader's effectiveness is determined by the interaction of the leader's style of behavior and the favorableness of the situational characteristics. The most favorable situation is when leader-member relations are good, the task is highly structured, and the leader has a strong position power.

Research on the contingency model has shown that task-oriented leaders are more effective in highly favorable (1, 2, 3) and highly unfavorable situation (7, 8), whereas relationship-oriented leaders are more effective in situations of intermediate favorableness (4, 5, 6).

Fiedler also suggested that leaders may act differently in different situations. Relationship-oriented leaders generally display task-oriented behaviors under highly favorable situations and display relationship-oriented behaviors under unfavorable intermediate favorable situations. Similarly, task-oriented leaders frequently display task-oriented in unfavorable or intermediate favorable situations but display relationship-oriented behaviors in favorable situations.

4. House's Path Goal Theory

The theory was developed by Robert House and has its roots in the expectancy theory of motivation. The theory is based on the premise that an employee's perception of expectancies between his effort and performance is greatly affected by a leader's behavior. The leaders help group members in attaining rewards by clarifying the paths to goals and removing obstacles to performance. They do so by providing the information, support, and other resources which are required by employees to complete the task.

House's theory advocates *servant leadership*. As per servant leadership theory, leadership is not viewed as a position of power. Rather, leaders act as coaches and facilitators to their subordinates. According to House's path-goal theory, a leader's effectiveness depends on several employee and environmental contingent factors and certain leadership styles. All these are explained in the figure 1 below:

Leadership Styles

The four leadership styles are:

- **Directive:** Here the leader provides guidelines, lets subordinates know what is expected of them, sets performance standards for them, and controls behavior when performance standards are not met. He makes judicious use of rewards and disciplinary action. The style is the same as task-oriented one.
- **Supportive:** The leader is friendly towards subordinates and displays personal concern for their needs, welfare, and well-being. This style is the same as people-oriented leadership.
- **Participative:** The leader believes in group decision-making and shares information with subordinates. He consults his subordinates on important decisions related to work, task goals, and paths to resolve goals.
- **Achievement-oriented:** The leader sets challenging goals and encourages employees to reach their peak performance. The leader believes that employees are responsible enough to accomplish challenging goals. This is the same as goal-setting theory.

According to the theory, these leadership styles are not mutually exclusive and leaders are capable of selecting more than one kind of a style suited for a particular situation.

Contingencies

The theory states that each of these styles will be effective in some situations but not in others. It further states that the relationship between a leader's style and effectiveness is dependent on the following variables:

- **Employee characteristics:** These include factors such as employees' needs, locus of control, experience, perceived ability, satisfaction, willingness to leave the organization, and anxiety. For example, if followers are high inability, a directive style of leadership may be unnecessary; instead a supportive approach may be preferable.

Characteristics of work environment: These include factors such as task structure and team dynamics that are outside the control of the employee. For example, for employees performing simple and routine tasks, a supportive style is much effective than a directive one. Similarly, the participative style works much better for non-routine tasks than routine ones.

When team cohesiveness is low, a supportive leadership style must be used whereas in a

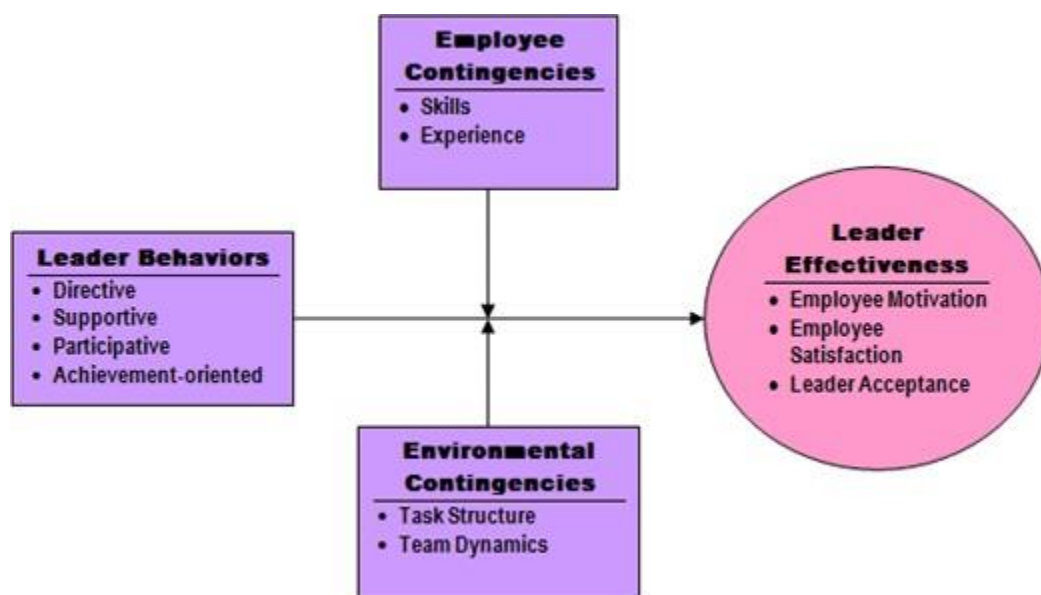


Figure 1: Path-Goal Leadership Theory

- Situation where performance-oriented team norms exist, a directive style or possibly an achievement-oriented style works better. Leaders should apply directive style to counteract team norms that oppose the team's formal objectives.

Conclusion

The theory has been subjected to empirical testing in several studies and has received considerable research support. This theory consistently reminds the leaders that their main role as a leader is to assist the subordinates in defining their goals and then to assist them in

accomplishing those goals in the most efficient and effective manner. This theory gives a guide map to the leaders about how to increase subordinates satisfaction and performance level.

5. Managerial Grid

The **managerial grid** model (1964) is a style **leadership** model developed by Robert R. Blake and Jane Mouton. This model originally identified five different **leadership** styles based on the concern for people and the concern for production

“It is a two dimensional grid for appraising leadership styles”

The Blake Mouton Managerial Grid is based on two behavioral dimensions:

- **Concern for People:** this is the degree to which a leader considers team members' needs, interests and areas of personal development when deciding how best to accomplish a task.
- **Concern for Results:** this is the degree to which a leader emphasizes concrete objectives, organizational efficiency and high productivity when deciding how best to accomplish a task.

Blake and Mouton defined five leadership styles based on these, as illustrated in the diagram below.

1. Impoverished Management – Low Results/Low People (1,1)

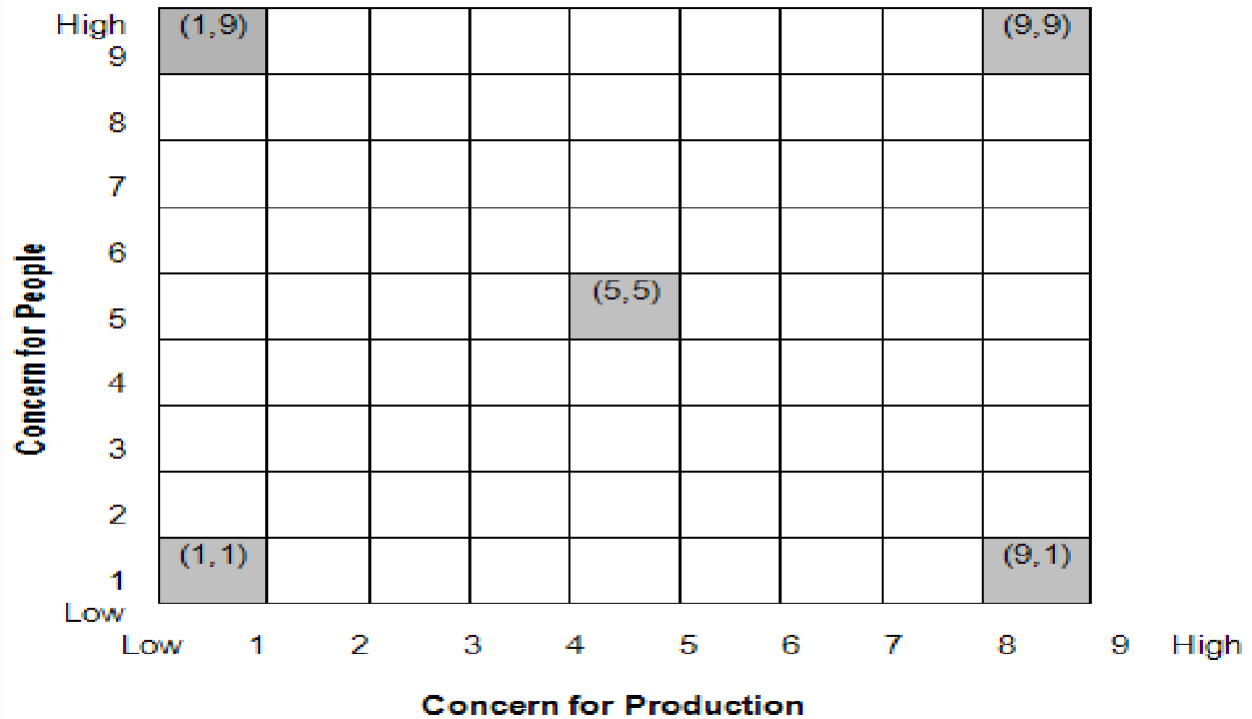
The Impoverished or "indifferent" manager is mostly ineffective. With a low regard for creating systems that get the job done, and with little interest in creating a satisfying or motivating team environment, his results are inevitably disorganization, dissatisfaction and disharmony.

2. Authority-Obedience – High Results/Low People (9,1)

Also known as "authoritarian" or "authority-compliance" managers, people in this category believe that their team members are simply a means to an end. The team's needs are always secondary to its productivity.

This type of manager is autocratic, has strict work rules, policies and procedures, and can view punishment as an effective way of motivating team members. This approach can drive impressive production results at first, but low team morale and motivation will ultimately affect people's performance, and this type of leader will struggle to retain high performers.

Figure 1: Managerial Grid



3. Middle-of-the-Road Management – Medium Results/Medium People (5,5)

A Middle-of-the-Road or "status quo" manager tries to balance results and people, but this strategy is not as effective as it may sound. Through continual compromise, he fails to inspire high performance and also fails to meet people's needs fully. The result is that his team will likely deliver only mediocre performance.

4. Country Club Management – High People/Low Results (1,9)

The Country Club or "accommodating" style of manager is most concerned about her team members' needs and feelings. She assumes that, as long as they are happy and secure, they will work hard. What tends to be the result is a work environment that is very relaxed and fun, but where productivity suffers because there is a lack of direction and control.

5. Team Management – High Production/High People (9,9)

According to the Blake Mouton model, Team management is the most effective leadership style. It reflects a leader who is passionate about his work and who does the best he can for the people he works with.

Team or "sound" managers commit to their organization's goals and mission, motivate the people who report to them, and work hard to get people to stretch themselves to deliver great results. But, at the same time, they're inspiring figures who look after their teams. Someone led by a Team manager feels respected and empowered, and is committed to achieving her goals.

Team managers prioritize both the organization's production needs and their people's needs. They do this by making sure that their team members understand the organization's purpose, and by involving them in determining production needs.

When people are committed to, and have a stake in, the organization's success, their needs and production needs coincide. This creates an environment based on trust and respect, which leads to high satisfaction, motivation and excellent results. Team managers likely adopt the Theory Y approach to motivation, as we mentioned above.

Blake and his colleagues added two more leadership styles after Mouton's death in 1987, although neither appears on the grid itself, for the reasons explained below.

- **Paternalistic Management.** A Paternalistic manager will jump between the Country Club and Produce-or-Perish styles. This type of leader can be supportive and encouraging, but will also guard his own position – he won't appreciate anyone questioning the way he thinks.
- **Opportunistic Management.** This doesn't appear on the grid because this style can show up anywhere within it. An Opportunistic manager places her own needs first, shifting around the grid to adopt whichever style will benefit her. She will manipulate and take advantage of others to get what she wants.

MOTIVATION

Meaning Of Motivation:

Motivation has been variously defined by scholars. Usually one or more of these words are included in the definition: desires, wants, aims, goals, drives, motives and incentives. Motivation is derived from the Latin word 'Move on' which means "to move".

Human motives are internalized goals within individuals. A motive is an inner state that energizes, activates, or moves and directs or channels behavior towards goals.

Definition:

- Motivation is the complex forces starting and keeping a person at work in the organization.
- Motivation is the various drives within or environmental forces surrounding individual that stimulate or attract them in a specific manner.
- Motivation is the art of understanding motives satisfying them to direct and sustain behavior towards the accomplishment of organization goals.

- Motivation is the process of operating organizational conditions which will impel employees of any emotion or desire operation one's will and prompting or driving at it to action.
- Motivation consists of the three interaction and interdependent elements of needs, drives and goals.

Needs:

These are the deficient, and create whenever there is a physiological or psychological imbalance.

Drive or motives:

These are set to alleviate needs. These are action oriented and provide an energizing thrust toward goal accomplishment. They are the very heart of the motivation process.

Goal:

Goals are anything which will alleviate a need and reduce a drive.

Nature of motivation:

Following are some of the characteristics of motivation derive from the definitions given by various authors.

1. **Based on motives:** Motivation is base on individuals motive which are internal to individual. These motives are in the form of feeling that the individual lacks something.
2. **Goal directed behavior:** Motivation Leads to goal directed behavior. A goal directed behavior is one which satisfied the causes for which behavior takes place. Motivation has profound influence on human behavior.
3. **Related to satisfaction:** Motivation is related to satisfaction. Satisfaction is refers to the contentment experiences of an individual which we derives out of needs fulfillment.
4. **Complex process:** Motivation is a complex process; complexity emerges because of the nature if needs a types of behavior that need attempted to satisfied those needs.

Significance of Motivation:

Motivation involves getting the members of the group to pull weight effectively, to give their loyalty to the group, to carry out properly the purpose of the organization. The following results may be expected if the employees are properly motivated.

1. The workforce will be better satisfied if the management provides them with opportunities to fulfill their physiological and psychological needs. The workers will

cooperate voluntarily with the management and will contribute their maximum towards the goals of the enterprise.

2. Workers will tend to be as efficient as possible by improving upon their skills and knowledge so that they are able to contribute to the progress of the organization. This will also result in increased productivity.
3. The rates of labor's turnover and absenteeism among the workers will be low.
4. There will be good human relations in the organization as friction among the workers themselves and between the workers and the management will decrease.
5. The number of complaints and grievances will come down. Accident will also be low.
6. There will be increase in the quantity and quality of products. Wastage and scrap will be less. Better quality of products will also increase the public image of the business.

MOTIVATIONAL THEORIES

1. Maslow's hierarchy of needs: According to Maslow's theory of needs, individual needs are arranged in a hierarchy. There are five categories of needs

a. Physiological needs

Physiological needs are the physical requirements for human survival. If these requirements are not met, the human body cannot function properly and will ultimately fail. Physiological needs are thought to be the most important; they should be met first.

Air, water, and food are metabolic requirements for survival in all animals, including humans. Clothing and shelter provide necessary protection from the elements. While maintaining an adequate birth rate shapes the intensity of the human sexual instinct, sexual competition may also shape said instinct.^[2]

b. Safety needs

Once a person's physical safety needs are relatively satisfied, their safety needs take precedence and dominate behavior. In the absence of physical safety – due to war, natural disaster, family violence, childhood abuse, etc. – people may (re-)experience post-traumatic stress disorder or transgenerational trauma. In the absence of economic safety – due to economic crisis and lack of work opportunities – these safety needs manifest themselves in ways such as a preference for job security, grievance procedures for protecting the individual from unilateral authority, savings accounts, insurance policies, disability accommodations, etc. This level is more likely to be found in children as they generally have a greater need to feel safe.

Safety and Security needs include:

- Personal security
- Financial security
- Health and well-being
- Safety net against accidents/illness and their adverse impacts

c. Love and belonging

After physiological and safety needs are fulfilled, the third level of human needs is interpersonal and involves feelings of belongingness. This need is especially strong in childhood and can override the need for safety as witnessed in children who cling to abusive parents. Deficiencies within this level of Maslow's hierarchy – due to hospitalism, neglect, shunning, ostracism, etc. – can adversely affect the individual's ability to form and maintain emotionally significant relationships in general, such as:

- Friendship
- Intimacy
- Family

According to Maslow, humans need to feel a sense of belonging and acceptance among their social groups, regardless whether these groups are large or small. For example, some large social groups may include clubs, co-workers, religious groups, professional organizations, sports teams, and gangs. Some examples of small social connections include family members, intimate partners, mentors, colleagues, and confidants. Humans need to love and be loved – both sexually and non-sexually – by others. Many people become susceptible to loneliness, social anxiety, and clinical depression in the absence of this love or belonging element. This need for belonging may overcome the physiological and security needs, depending on the strength of the peer pressure.

d. Esteem

All humans have a need to feel respected; this includes the need to have self-esteem and self-respect. Esteem presents the typical human desire to be accepted and valued by others. People often engage in a profession or hobby to gain recognition. These activities give the person a sense of contribution or value. Low self-esteem or an inferiority complex may result from imbalances during this level in the hierarchy. People with low self-esteem often need respect from others; they may feel the need to seek fame or glory. However, fame or glory will not help the person to build their self-esteem until they accept who they are internally. Psychological imbalances such as depression can hinder the person from obtaining a higher level of self-esteem or self-respect.

Most people have a need for stable self-respect and self-esteem. Maslow noted two versions of esteem needs: a "lower" version and a "higher" version. The "lower" version of esteem is the need for respect from others. This may include a need for status, recognition, fame, prestige, and attention. The "higher" version manifests itself as the need for self-respect. For example, the person may have a need for strength, competence, mastery, self-confidence, independence, and freedom. This "higher" version takes precedence over the "lower" version because it relies on an inner competence established through experience. Deprivation of these needs may lead to an inferiority complex, weakness, and helplessness.

Maslow states that while he originally thought the needs of humans had strict guidelines, the "hierarchies are interrelated rather than sharply separated" This means that esteem and the subsequent levels are not strictly separated; instead, the levels are closely related.

e. Self-actualization

"What a man can be, he must be." This quotation forms the basis of the perceived need for self-actualization. This level of need refers to what a person's full potential is and the realization of that potential. Maslow describes this level as the desire to accomplish everything that one can, to become the most that one can be. Individuals may perceive or focus on this need very specifically. For example, one individual may have the strong desire to become an ideal parent. In another, the desire may be expressed athletically. For others, it may be expressed in paintings, pictures, or inventions. As previously mentioned, Maslow believed that to understand this level of need, the person must not only achieve the previous needs, but master them

2. Hertz berg Two-factor theory

- **Motivators** (e.g. challenging work, recognition for one's achievement, responsibility, opportunity to do something meaningful, involvement in decision making, sense of importance to an organization) that give positive satisfaction, arising from intrinsic conditions of the job itself, such as recognition, achievement, or personal growth,^[4] and
- **Hygiene factors** (e.g. status, job security, salary, fringe benefits, work conditions, good pay, paid insurance, vacations) that do not give positive satisfaction or lead to higher motivation, though dissatisfaction results from their absence. The term "hygiene" is used in the sense that these are maintenance factors. These are extrinsic to the work itself, and include aspects such as company policies, supervisory practices, or wages/salary. Herzberg often referred to hygiene factors as "KITA" factors, which is an acronym for "kick in the ass", the process of providing incentives or threat of punishment to make someone do something.

3. Theory X and Theory Y

Assumptions of Theory X

- An average employee intrinsically does not like work and tries to escape it whenever possible.
- Since the employee does not want to work, he must be persuaded, compelled, or warned with punishment so as to achieve organizational goals. A close supervision is required on part of managers. The managers adopt a more dictatorial style.
- Many employees rank job security on top, and they have little or no aspiration/ ambition.
- Employees generally dislike responsibilities.
- Employees resist change.
- An average employee needs formal direction.

Assumptions of Theory Y

- Employees can perceive their job as relaxing and normal. They exercise their physical and mental efforts in an inherent manner in their jobs.
- Employees may not require only threat, external control and coercion to work, but they can use self-direction and self-control if they are dedicated and sincere to achieve the organizational objectives.
- If the job is rewarding and satisfying, then it will result in employees' loyalty and commitment to organization.
- An average employee can learn to admit and recognize the responsibility. In fact, he can even learn to obtain responsibility.
- The employees have skills and capabilities. Their logical capabilities should be fully utilized. In other words, the creativity, resourcefulness and innovative potentiality of the employees can be utilized to solve organizational problems.

4. McClelland's Three-Needs Theory

Proposed by psychologist David McClelland, is a motivational model that attempts to explain how the needs for achievement, power, and affiliation affect the actions of people from a managerial context. This model was developed in the 1960s soon after Maslow's hierarchy of needs in the 1940s. McClelland stated that we all have these three types of motivation regardless of age, sex, race, or culture. The type of motivation by which each individual is driven derives from their life experiences and the opinions of their culture. This need theory is often taught in classes concerning management or organizational behaviour.

1. Need for achievement (nAch): The drive to succeed and excel in relation to a set of standards.

2. Need for Power (nPow): The need to make others behave in a way that they would not have behaved otherwise.

3. Need for Affiliation (n Aff): The desire for friendly and close interpersonal relationships.

Need for achievement

They prefer working on tasks of moderate difficulty, prefer work in which the results are based on their effort rather than on anything else, and prefer to receive feedback on their work. Achievement based individuals tend to avoid both high-risk and low-risk situations. Low-risk situations are seen as too easy to be valid and the high-risk situations are seen as based more on the luck of the situation rather than the achievements that individual made.^[2] This personality type is motivated by accomplishment in the workplace and an employment hierarchy with promotional positions.^[3]

Need for affiliation

People who have a need for affiliation prefer to spend time creating and maintaining social relationships, enjoy being a part of groups, and have a desire to feel loved and accepted. People in this group tend to adhere to the norms of the culture in that workplace and typically do not change the norms of the workplace for fear of rejection. This person favors collaboration over competition and does not like situations with high risk or high uncertainty. People who have a need for affiliation work well in areas based on social interactions like customer service or client interaction positions.

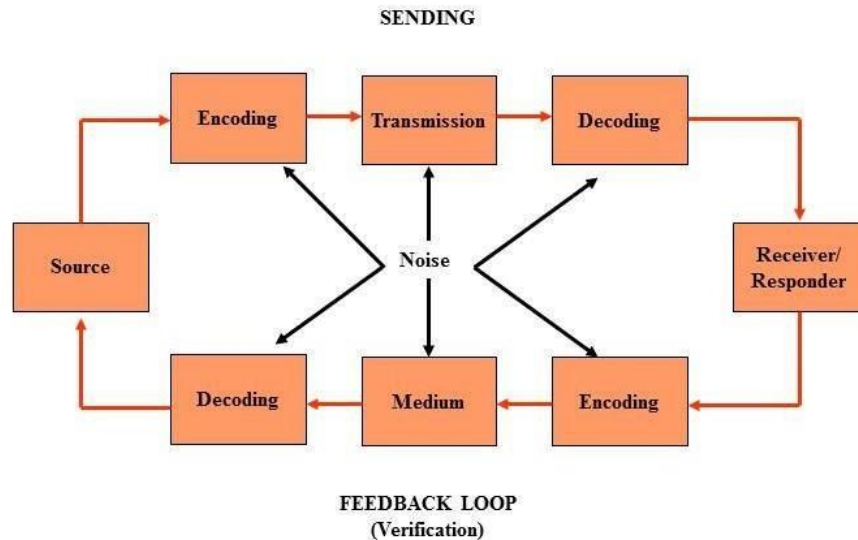
Need for power

People in this category enjoy work and place a high value on discipline. The downside to this motivational type is that group goals can become zero-sum in nature, that is, for one person to win, another must lose. However, this can be positively applied to help accomplish group goals and to help others in the group feel competent about their work. A person motivated by this need enjoys status recognition, winning arguments, competition, and influencing others. With this motivational type come a need for personal prestige, and a constant need for a better personal status.

Communication Process

The communication is a dynamic process that begins with the conceptualizing of ideas by the sender who then transmits the message through a channel to the receiver, who in turn gives the feedback in the form of some message or signal within the given time frame. Thus, there are Seven major elements of communication process.

Basic Communication Process



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1. **Sender:** The sender or the communicator is the person who initiates the conversation and has conceptualized the idea that he intends to convey it to others.
2. **Encoding:** The sender begins with the encoding process wherein he uses certain words or non-verbal methods such as symbols, signs, body gestures, etc. to translate the information into a message. The sender's knowledge, skills, perception, background, competencies, etc. has a great impact on the success of the message.
3. **Message:** Once the encoding is finished, the sender gets the message that he intends to convey. The message can be written, oral, symbolic or non-verbal such as body gestures, silence, signs, sounds, etc. or any other signal that triggers the response of a receiver.
4. **Communication Channel:** The Sender chooses the medium through which he wants to convey his message to the recipient. It must be selected carefully in order to make the message effective and correctly interpreted by the recipient. The choice of medium depends on the interpersonal relationships between the sender and the receiver and also on the urgency of the message being sent. Oral, virtual, written, sound, gesture, etc. are some of the commonly used communication mediums.
5. **Receiver:** The receiver is the person for whom the message is intended or targeted. He tries to comprehend it in the best possible manner such that the communication objective

is attained. The degree to which the receiver decodes the message depends on his knowledge of the subject matter, experience, trust and relationship with the sender.

6. **Decoding:** Here, the receiver interprets the sender's message and tries to understand it in the best possible manner. An effective communication occurs only if the receiver understands the message in exactly the same way as it was intended by the sender.
7. **Feedback:** The Feedback is the final step of the process that ensures the receiver has received the message and interpreted it correctly as it was intended by the sender. It increases the effectiveness of the communication as it permits the sender to know the efficacy of his message. The response of the receiver can be verbal or non-verbal.

Common Barriers to Effective Communication:

- **The use of jargon.** Over-complicated, unfamiliar and/or technical terms.
- **Emotional barriers and taboos.** Some people may find it difficult to express their emotions and some topics may be completely 'off-limits' or taboo. Taboo or difficult topics may include, but are not limited to, politics, religion, disabilities (mental and physical), sexuality and sex, racism and any opinion that may be seen as unpopular.
- **Lack of attention, interest, distractions, or irrelevance to the receiver.** (See our page **Barriers to Effective Listening** for more information).
- **Differences in perception and viewpoint.**
- **Physical disabilities such as hearing problems or speech difficulties.**
- **Physical barriers to non-verbal communication.** Not being able to see the non-verbal cues, gestures, posture and general body language can make communication less effective. Phone calls, text messages and other communication methods that rely on technology are often less effective than face-to-face communication.
- **Language differences and the difficulty in understanding unfamiliar accents.**
- **Expectations and prejudices which may lead to false assumptions or stereotyping.** People often hear what they expect to hear rather than what is actually said and jump to incorrect conclusions. Our page **The Ladder of Inference** explains this in more detail.
- **Cultural differences.** The norms of social interaction vary greatly in different cultures, as do the way in which emotions are expressed. For example, the concept of personal space varies between cultures and between different social settings. See our page on **Intercultural Awareness** for more information.

Guidelines for effective communication:

Clarity of Purpose: The message to be delivered must be clear in the mind of sender. The person to whom it is targeted and the aim of the message should be clear in the mind of the sender.

Completeness: The message delivered should not be incomplete. It should be supported by facts and observations. It should be well planned and organized. No assumptions should be made by the receiver.

Conciseness: The message should be concise. It should not include any unnecessary details. It should be short and complete.

Feedback: Whether the message sent by the sender is understood in same terms by the receiver or not can be judged by the feedback received. The feedback should be timely and in personal. It should be specific rather than general.

Empathy: Empathy with the listeners is essential for effective verbal communication. The speaker should step into the shoes of the listener and be sensitive to their needs and emotions. This way he can understand things from their perspective and make communication more effective.

Modify the message according to the audience: The information requirement by different people in the organization differs according to their needs. What is relevant to the middle level management might not be relevant to the top level of management. Use of jargons should be minimized because it might lead to misunderstanding and misinterpretations. The message should be modified according to the needs and requirements of the targeted audience.

Multiple Channels of communication: For effective communication multiple channels should be used as it increases the chances of clarity of message. The message is reinforced by using different channels and there are less chances of deformation of message.

Make effective use of Grapevine (informal channel of communication): The employees and managers should not always discourage grapevine. They should make effective use of grapevine. The managers can use grapevine to deliver formal messages and for identification of issues which are significant for the employees. The managers can get to know the problems faced by the employees and can work upon it.

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UNIT-4

ORGANIZATIONAL BEHAVIOR

Definition:

Organizational behavior (often abbreviated as OB) is a field of study that investigates how individuals, groups, and structure affect and is affected by behavior within Organizations.

Behavior refers to what people do in the organization, how they perform, and what their attitudes are. Because the organizations studied are often business organizations, OB is frequently applied to address workplace issues such as absenteeism, turnover, productivity, motivation, working in groups, and job satisfaction. Managers often apply the knowledge gained from OB research to help them manage their organizations more effectively.

Organizational Behavior (OB) can be defined as the understanding, prediction and management of human behavior both individually or in a group that occur within an organization.

Nature and Importance of OB:

Organizational behaviour has emerged as a separate field of study. The nature it has acquired is identified as follows:

1. A Separate Field of Study and not a Discipline Only

By definition, a discipline is an accepted science that is based on a theoretical foundation. But, O.B. has a multi-interdisciplinary orientation and is, thus, not based on a specific theoretical background. Therefore, it is better reasonable to call O.B. a separate field of study rather than a discipline only.

2. An Interdisciplinary Approach

Organizational behaviour is essentially an interdisciplinary approach to study human behaviour at work. It tries to integrate the relevant knowledge drawn from related disciplines like psychology, sociology and anthropology to make them applicable for studying and analysing organizational behaviour.

3. An Applied Science

The very nature of O.B. is applied. What O.B. basically does is the application of various researches to solve the organizational problems related to human behaviour. The basic line of difference between pure science and O.B. is that while the former concentrates on fundamental researches, the latter concentrates on applied researches. OB involves both applied research and its application in organizational analysis. Hence, OB can be called both science as well as art.

4. A Normative Science

Organizational Behaviour is a normative science also. While the positive science discusses only cause effect relationship, O.B. prescribes how the findings of applied researches can be applied to socially accepted organizational goals. Thus, O.B. deals with what is accepted by individuals and society engaged in an organization. Yes, it is not that O.B. is not normative at all. In fact, O.B. is normative as well that is well underscored by the proliferation of management theories.

5. A Humanistic and Optimistic Approach

Organizational Behaviour applies humanistic approach towards people working in the organization. It, deals with the thinking and feeling of human beings. O.B. is based on the belief that people have an innate desire to be independent, creative and productive. It also realizes that people working in the organization can and will actualize these potentials if they are given proper conditions and environment. Environment affects performance of workers working in an organization.

6. A Total System Approach

The system approach is one that integrates all the variables, affecting organizational functioning. The systems approach has been developed by the behavioural scientists to analyse human behaviour in view of his/her socio-psychological framework. Man's socio-psychological framework makes man a complex one and the systems approach tries to study his/her complexity and find solution to it.

Nature of Organization Behavior



Importance of OB:

- ✓ It builds better relationship by achieving people's, organizational, and social objectives.
- ✓ It covers a wide array of human resource like behavior, training and development, change management, leadership, teams etc.
- ✓ It brings coordination which is the essence of management.
- ✓ It improves goodwill of the organization.
- ✓ It helps to achieve objectives quickly.
- ✓ It makes optimum utilization of resources.
- ✓ It facilitates motivation.
- ✓ It leads to higher efficiency.
- ✓ It improves relations in the organization.
- ✓ It is multidisciplinary, in the sense that applies different techniques, methods, and theories to evaluate the performances.

Contributing Disciplines to OB

Organizational behaviour is an applied behavioral science that is built upon contributions from a number of behavioral disciplines. The predominant areas are psychology, sociology, social psychology, anthropology, and political science

1. Psychology

- Psychology is the science that seeks to measure, explain, and sometimes change the behaviour of humans and other animals.
- To use psychological and organizational theory and research to improve organizational effectiveness and the work life of all individuals.
- Psychologists concern themselves with studying and attempting to understand individual behaviour
- Learning, perception, personality, emotions, training, leadership effectiveness, needs and motivational forces, job satisfaction, decision-making process, performance appraisals, attitude measurement, employee selection techniques, work design and job stress

2. Sociology

- Sociologists study the social system in which individuals fill their roles
- Sociology studies people in relation to their fellow human beings to improve organizational performance.
- Study of group behaviour in organisations, group dynamics, design of work teams, organizational culture, formal organizational theory and structure, organizational technology, communications, power and conflict

3. Social psychology

- An area within psychology that blends concepts from psychology and sociology and that focuses on the influence of people on one another.
- Major area: change – how to implement it and how to reduce barriers to its acceptance.

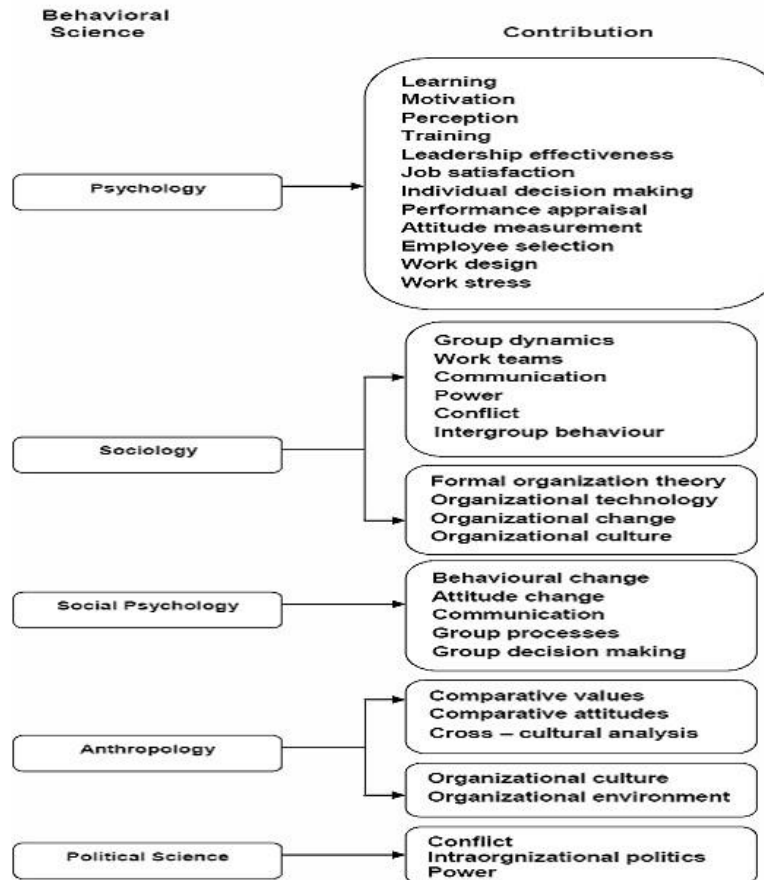
- Study areas: measuring, understanding and changing attitudes, communication patters, building trust, the ways in which group activities can satisfy individual needs, group decision-making processes.

4. Anthropology

- The study of societies to learn about human beings and their activities.
- Study on culture and environment has helped us understand differences in fundamental values, attitudes, and behaviour between people in different countries and within different organizations.

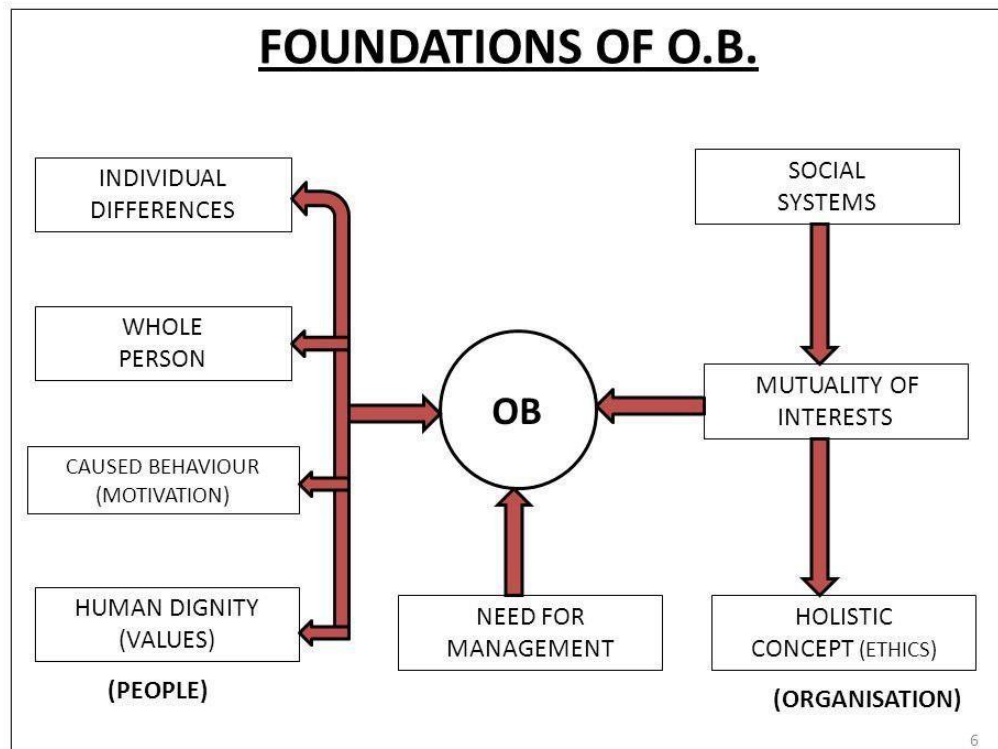
5. Political science

- The study of the behaviour of individuals and groups within a political environment
- Study areas: structuring of conflicts, allocations of power, how people manipulate power for individual self-interest.



Foundations of OB

The subject of ob is based on few fundamental concepts which revolve around the nature of people and organizations. The basic assumptions in OB are:



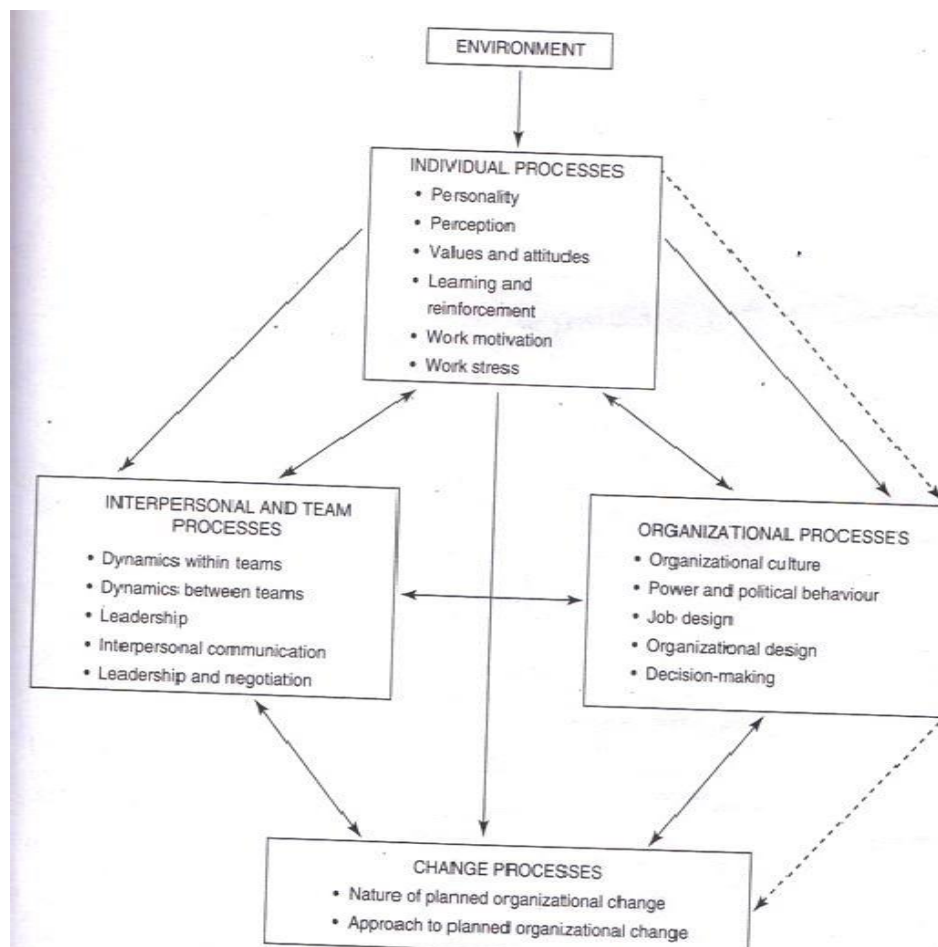
1. **Individual differences:** People have much in common but each person in the world is also individually different. The idea of differences comes originally from psychology. It is because of individual differences that OB begins with individual. Only a person can take responsibility and make decisions. A group is powerless until individuals act.
2. **A whole person:** When an individual is appointed he alone is not hired his social background, likes and dislikes etc., also hired. A persons family life cannot be separated from his/her work life. Hence manager should make a work place where an individual can be developed both as a better employee and a better person.
3. **Caused behavior:** The behavior of an employee is caused and not random. It is directed towards someone that the employee believes rightly or wrongly is in his/her interest. The manager must realize this basic principle and correct this behavior and tackle the issues at its roots.
4. **Human dignity:** It confirms that people have to be treated differently from other factors of production. It recognizes that people wanted to be treated respected and dignity. The concept of human dignity rejects the old idea of treating employees as economic tools.
5. **Social systems:** Organizations are social systems and all the activities are governed by social as well as psychological elements. People have psychological needs and also have

social roles and status. Their behavior is influenced by their group all the parts of the system are interdependent and all subject to influence by any other part.

6. **Mutuality of interests:** It is represented by the statement that organizations need people and people also need organizations. Organizations are formed and maintained on the basis of some mutuality of interest among their participants. If mutuality is lacking it makes no scene.
7. **Holistic concepts:** When above six fundamentals concepts of OB are placed together a holistic concept emerges. This concept interprets people-organization relationship in terms of the whole person, whole group, whole organization and the whole social system.

Elements of OB:

A conceptual model is a representation of a system, made of the composition of concepts which are used to help people know, understand, or simulate a subject the model represents.



1. Individual Process: Behavior of an individual employee is influenced by several factors like individual mental makeup, family background, cultural background, social background etc., it is

studied through perception, personality, values, attitudes, learning, motivation.

a) Perception: It refers to a complex cognitive process that yields an unique picture of the world that may be quite different from reality. Individual behave based on their perceptual world.

b) Personality: It is sum total of ways in which an individual react and interacts with others heredity factors, environmental factors, and situational factors determine the personality.

c) Values: These 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.

d) Attitudes: These are evaluative statements either favorable or unfavorable concerning objectives, people or events.

e) Job Satisfaction: Prefers to a person feeling of satisfaction on the job which acts as a motivation to work.

f) Motivation: It is the process that account for an individual intensity, direction and persistence of effort towards attaining a goal.

g) Learning: It is relatively permanent change in behavior that occurs as a result of experience.

2. Interpersonal and Team Process: An integrated and comprehensive behavior of people in a group is refers to as team process. It is studies through communication, leadership, group dynamics, and team work.

a) Interpersonal Communication: It is transferring of information an understanding the meaning of it. It may be formal or informal, downward, upward, horizontal, and crosswise.

b) Leadership: It is the ability to influence a group towards the achievement of goals leadership styles includes autocratic, benevolent, participative, democratic styles.

c) Team work: It is a group whose individual efforts result in a performance that is greater than the sum of the individual inputs different types of teams included self managed work, problem solving team, cross functional team, and virtual teams.

d) Group Dynamics: Groups are both formal and informal the exists for some time until the purpose is achieved and then disband.

3. Organization Process: It is dividing grouping and coordinating the job tasks. It may be structured based on the departments, functions, and products and services.

a) Organizational Culture: It is pattern of basic assumption invented, discovered or developed by a given group as it learns to cope with its problems of external adaption and internal integration that has worked well enough to be considered valuable and their off to be thought to new members as the correct way to perceive, think, and feel in relation to those problems.

b) Power and Politics: Are universal, important phenomenon that needs to be understood by employees and managers. The person's success or failure in using all reacting to power is largely determined by understanding power, knowing how, and when to use it.

c) Job design and Organizational design: It helps to understand the way the jobs have been designed. It is formulating the philosophy for coordinating the job tasks. Organization design gives shape to the organization.

d) Decision Making: It is one of the important activities to be performed by the managers and

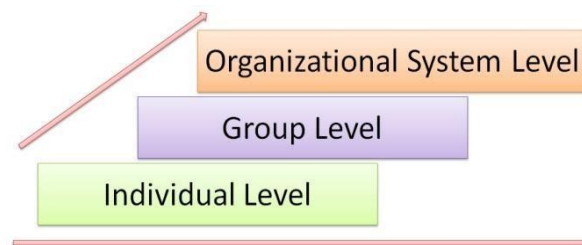
requires expertise. It is the process of choosing the best from among the alternative solutions under a given set of circumstance.

4. Change Process: The management of change involves adapting an organization to the demand of the environment and modifying the actual behavior of the employees. Many things must be considered when undertaking organization change including types of pressures, kinds of resistance to change and who should implement change.

Challenges and Opportunities for OB

OB considers that organizations are made up of levels, moving up from the individual, to the group, to the entire organizational structure. Each level contributes to the variety of activities that occur in today's workplace

The three basic levels are like building blocks: Each level is constructed upon the previous level. Group concepts grow out of the foundation we lay out in the section on individual behavior. We then overlay structural constraints on the individual and group in order to arrive at OB.



When we look at the different levels in the organization, we recognize that each has challenges that can affect how the levels above and/or below might operate. We consider the challenges at the individual, group, and organizational levels.

- Individual Differences
- Job Satisfaction
- Motivation
- Empowerment
- Behaving Ethically
- Working with others
- Workforce diversity
- Productivity
- Developing effective employees
- Putting people first
- Global competition
- Managing and working in a multicultural world

PERCEPTION

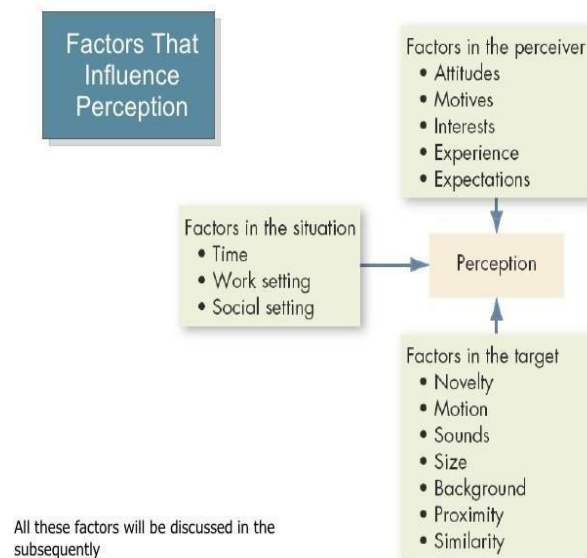
Perception is an intellectual process of transforming sensory stimuli to meaningful information. It is the process of interpreting something that we see or hear in our mind and use it later to judge and give a verdict on a situation, person, group etc.

Perception is a process by which individuals organize and interpret their sensory impressions in order to give meaning to their environment.

Factors affecting Perception

A number of factors operate to shape and sometimes distort perception. These factors can reside in the perceiver; in the object, or target, being perceived; or in the context of the situation in which the perception is made.

1. **Factors in perceiver**-When you look at a target and attempt to interpret what you see, your interpretation is heavily influenced by your personal characteristics—your attitudes, personality, motives, interests, past experiences, and expectations. For instance, if you expect police officers to be authoritative or young people to be lazy, you may perceive them as such, regardless of their actual traits.
2. **Factors in the target**-Characteristics of the target also affect what we perceive. Loud people are more likely to be noticed in a group than quiet ones. So, too, are extremely attractive or unattractive individuals. Because we don't look at targets in isolation, the



relationship of a target to its background also influences perception, as does our tendency to group close things and similar things together. We often perceive women, men, Whites, African Americans, Asians, or members of any other group that has clearly distinguishable characteristics as alike in other, unrelated ways as well.

3. **Factors in the situation**-Context matters too. The time at which we see an object or event can influence our attention, as can location, light, heat, or any number of situational factors. At a nightclub on Saturday night, you may not notice a young guest “dressed to the nines.” Yet that same person so attired for your Monday morning management class would certainly catch your attention.

PERCEPTUAL PROCESS:

Perceptual process are the different stages of perception we go through. The different stages are

- 1. Receiving**
- 2. Selecting**
- 3. Organizing**
- 4. Interpreting**

1. Receiving: Receiving is the first and most important stage in the process of perception. It is the initial stage in which a person collects all information and receives the information through the sense organs.

2. Selecting: Selecting is the second stage in the process. Here a person doesn't receive the data randomly but selectively. A person selects some information out of all in accordance with his interest or needs. The selection of data is dominated by various external and internal factors.

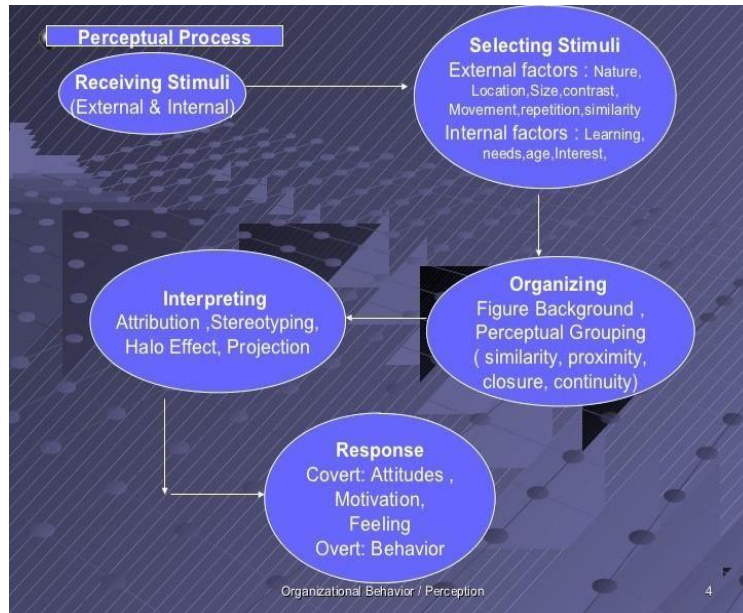
- ✓ **External factors** – The factors that influence the perception of an individual externally are intensity, size, contrast, movement, repetition, familiarity, and novelty.
- ✓ **Internal factors** – The factors that influence the perception of an individual internally are psychological requirements, learning, background, experience, self-acceptance, and interest.

3. Organizing: Keeping things in order or say in a synchronized way is organizing. In order to make sense of the data received, it is important to organize them.

We can organize the data by

- Grouping them on the basis of their similarity, proximity, closure, continuity.
- Establishing a figure ground is the basic process in perception. Here by figure we mean what is kept as main focus and by ground we mean background stimuli, which are not given attention.
- Perceptual constancy that is the tendency to stabilize perception so that contextual changes don't affect them.

4. Interpreting: Finally, we have the process of interpreting which means forming an idea about a particular object depending upon the need or interest. Interpretation means that the information we have sensed and organized, is finally given a meaning by turning it into something that can be categorized. It includes stereotyping, halo effect etc.



ATTITUDE

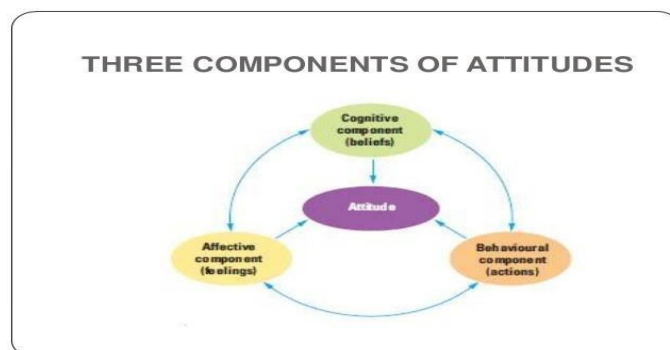
An attitude is “mental state of readiness, learned and organized through experience, exerting a specific influence on person’s response to people, object and situations with which it is related”.

Attitudes are “learned dispositions towards aspects of our environment. They may be positively or negatively directed towards certain people, service or institutions”.

COMPONENTS OF ATTITUDES

Attitudes comprise of three elements-

1. Affective component
2. Cognitive component
3. Behavioural component



1. **Affective component** The affective component of attitudes refers to your feelings or emotions linked to an attitude object. Affective responses influence attitudes in a number of ways. For example, many people are afraid/scared of spiders. So this negative affective response is likely to cause you to have a negative attitude towards spiders.
2. **Cognitive component** The cognitive component of attitudes refer to the beliefs, thoughts, and attributes that we would associate with an object. Many times a person's attitude might be based on the negative and positive attributes they associate with an object.
3. **Behavioural component** The behavioural component of attitudes refer to past behaviours or experiences regarding an attitude object. The idea that people might infer their attitudes from their previous actions.

Functions of Attitudes

1. **The Adjustment function**-The adjustment function directs people toward pleasurable or rewarding objects and away from unpleasant, undesirable ones.
2. **The Ego-defensive function** -Attitudes formed to protect the ego or self image from threats help fulfill the ego defensive function. Actually many outward expressions of such attitudes reflect the opposite of what the person perceives him to be.
3. **The Value-expression function**- Whereas ego defensive attitudes are formed to protect a person's self image, value expressive attitudes enable the expression of the person's centrally held values. Therefore individuals adopt certain attitudes in an effort to translate their values into something more tangible and easily expressed .
4. **The Knowledge Function** -Humans have a need for a structured and orderly world, and therefore they seek consistency stability definition and understanding. Out of this need develops attitudes toward acquiring knowledge. In addition, the need to know tends to be specific.

Factors Affecting Attitudes

1. Experience
2. Association and reference groups
3. Family
4. Society
5. Personality
6. Culture and Religious values

Job related Attitudes

1. **Job involvement**-The degree, to which a person identifies with his or her job, actively participates in it, and considers his or her performance important to self worth.
2. **Job satisfaction**- It refers to an individual's general attitude towards his or her job.

3. **Organisational commitment**-The degree to which an employee identifies with a particular organization and its goals and wishes to maintain membership in the organization.

PERSONALITY

Personality as the sum total of ways in which an individual reacts to and interacts with others. We most often describe it in terms of the measurable traits a person exhibits.

Determinants of Personality

1. **Heredity**: It refers to those factors that were determined at conception. Individual's personality is the molecular structure of the genes located in the chromosomes. Physical structure, facial attractiveness, muscle composition are all generally imported from one of the parents.
2. **Environment**: It is a broad term which includes culture in which we are raised, cultural norms. the early conditioning, social groups etc.,
3. **Family**: Family has a considerable influence on the personality development. In the early days of childhood parents play an important role in the identification process of an individual.
4. **Socialisation process**: It is a process by which an individual acquires behavioural potentials initially from the family and later the social group and the employing organization.

Personality Traits

Personality traits are the enduring qualities or characteristics that describes an individual behavior.

1. The Myers-Briggs Type Indicator(MBIT)
2. The Big 5 Model
3. Type A and Type B personality

The Myers-Briggs Type Indicator(MBIT)

The Myers-Briggs Type Indicator (MBTI) is the most widely used personality assessment instrument in the world. It is a 100-question personality test that asks people how they usually feel or act in particular situations. Respondents are classified as extraverted or introverted (E or I), sensing or intuitive (S or N), thinking or feeling (T or F), and judging or perceiving (J or P). These terms are defined as follows:

1. Extraverted (E) versus Introverted (I): Extraverted individuals are outgoing, sociable, and assertive. Introverts are quiet and shy.

2. Sensing (S) versus Intuitive (N): Sensing types are practical and prefer routine and order. They focus on details. Intuitive rely on unconscious processes and look at the "big picture."

3. Thinking (T) versus Feeling (F): Thinking types use reason and logic to handle problems. Feeling types rely on their personal values and emotions.

4. Judging (J) versus Perceiving (P): Judging types want control and prefer their world to be ordered and structured. Perceiving types are flexible and spontaneous.

1. Reserved	vs.	Outgoing
2. Less intelligent	vs.	More intelligent
3. Affected by feelings	vs.	Emotionally stable
4. Submissive	vs.	Dominant
5. Serious	vs.	Happy-go-lucky
6. Expedient	vs.	Conscientious
7. Timid	vs.	Venturesome
8. Tough-minded	vs.	Sensitive
9. Trusting	vs.	Suspicious
10. Practical	vs.	Imaginative
11. Forthright	vs.	Shrewd
12. Self-assured	vs.	Apprehensive
13. Conservative	vs.	Experimenting
14. Group dependent	vs.	Self-sufficient
15. Uncontrolled	vs.	Controlled
16. Relaxed	vs.	Tense

**Myers-
Briggs
Sixteen
Primary
Traits**

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4-3

These classifications together describe 16 personality types, identifying every person by one trait from each of the four pairs. For example, Introverted/ Intuitive/Thinking/Judging people (INTJs) are visionaries with original minds and great drive. They are skeptical, critical, independent, determined, and often stubborn. ESTJs are organizers. They are realistic, logical, analytical, and decisive and have a natural head for business or mechanics. The ENTP type is a conceptualize, innovative, individualistic, versatile, and attracted to entrepreneurial ideas. This person tends to be resourceful in solving challenging problems but may neglect routine assignments.

The Big 5 Model

The MBTI may lack strong supporting evidence, but an impressive body of research supports the thesis of the Big Five Model—that five basic dimensions underlie all others and encompass most of the significant variation in human personality. Moreover, test scores of these traits do a very good job of predicting how people behave in a variety of real-life situations.

PERSONALITY

BIG FIVE TRAITS	WHY IS IT RELEVANT?	WHAT DOES IT AFFECT?
EMOTIONAL STABILITY	<ul style="list-style-type: none"> • LESS NEGATIVE THINKING AND FEWER NEGATIVE EMOTIONS • LESS HYPER-VIGILANT 	<ul style="list-style-type: none"> • HIGHER JOB AND LIFE SATISFACTION • LOWER STRESS LEVELS
EXTRAVERSION	<ul style="list-style-type: none"> • BETTER INTERPERSONAL SKILLS • GREATER SOCIAL DOMINANCE • MORE EMOTIONALLY EXPRESSIVE 	<ul style="list-style-type: none"> • HIGHER PERFORMANCE • ENHANCED LEADERSHIP • HIGHER JOB AND LIFE SATISFACTION
OPENNESS	<ul style="list-style-type: none"> • INCREASED LEARNING • MORE CREATIVE • MORE FLEXIBLE AND AUTONOMOUS 	<ul style="list-style-type: none"> • ENHANCED LEADERSHIP • MORE ADAPTABLE TO CHANGE
AGREEABLENESS	<ul style="list-style-type: none"> • BETTER LIKED • MORE COMPLIANT AND CONFORMING 	<ul style="list-style-type: none"> • HIGHER PERFORMANCE • LOWER LEVELS OF DEVIANT BEHAVIOUR
CONSCIENTIOUSNESS	<ul style="list-style-type: none"> • GREATER EFFORT AND PERSISTENCE • MORE DRIVE AND DISCIPLINE • BETTER ORGANISED AND PLANNING 	<ul style="list-style-type: none"> • HIGHER PERFORMANCE • ENHANCED LEADERSHIP • GREATER LONGEVITY

The following are the Big Five factors:

- **Extraversion.** The extraversion dimension captures our comfort level with relationships. Extraverts tend to be gregarious, assertive, and sociable. Introverts tend to be reserved, timid, and quiet.
- **Agreeableness.** The agreeableness dimension refers to an individual's propensity to defer to others. Highly agreeable people are cooperative, warm, and trusting. People who score low on agreeableness are cold, disagreeable, and antagonistic.
- **Conscientiousness.** The conscientiousness dimension is a measure of reliability. A highly conscientious person is responsible, organized, dependable, and persistent. Those who score low on this dimension are easily distracted, disorganized, and unreliable.
- **Emotional stability.** The emotional stability dimension—often labeled by its converse, neuroticism—taps a person's ability to withstand stress. People with positive emotional stability tend to be calm, self-confident, and secure. Those with high negative scores tend to be nervous, anxious, depressed, and insecure.
- **Openness to experience.** The openness to experience dimension addresses range of interests and fascination with novelty. Extremely open people are creative, curious, and artistically sensitive. Those at the other end of the category are conventional and find comfort in the familiar.

Type A and Type B Personality

Type A and **Type B** are two **types** of **trait** classification.

Type A individuals are aggressive, ambitious, controlling, highly competitive, preoccupied with status, workaholics, hostile, and lack patience.

They are-

- Always moving, walking and eating rapidly;
- Feel impatient with the rate at which most events take place;
- Strive to think or do two or more things simultaneously;
- Cannot cope with leisure time; and
- Are obsessed with numbers, measuring their success in terms of how much of everything they acquire.

Type B people are relaxed, less stressed, flexible, emotional and expressive, and have a laid-back attitude.

They –

- Never suffer from sense of time urgency with its accompanying impatience;
- Feel no need to display or discuss either their achievements or accomplishments unless it is demanded;
- Play for fun and relaxation, rather than to exhibit their superiority at any cost; and
- Can relax without guilt.

Sigmund Freud's Psychoanalytic theory

According to Sigmund Freud, human personality is complex and has more than a single component. In his famous psychoanalytic theory of personality, personality is composed of three elements. These three elements of personality—known as the id, the ego, and the superego—work together to create complex human behaviors.

Each component not only adds its own unique contribution to personality, but all three elements interact in ways that have a powerful influence on each individual. Each of these three elements of personality emerges at different points in life.

According to Freud's theory, certain aspects of your personality are more primal and might pressure you to act upon your most basic urges. Other parts of your personality work to counteract these urges and strive to make you conform to the demands of reality.

1. The Id

- The Id is the only component of personality that is present from birth.
- This aspect of personality is entirely unconscious and includes the instinctive and primitive behaviors.
- According to Freud, the id is the source of all psychic energy, making it the primary component of personality.

The Id is driven by the pleasure principle, which strives for immediate gratification of all desires, wants, and needs. If these needs are not satisfied immediately, the result is a state anxiety or tension.

For example, an increase in hunger or thirst should produce an immediate attempt to eat or drink. The id is very important early in life, because it ensures that an infant's needs are met. If the infant is hungry or uncomfortable, he or she will cry until the demands of the id are satisfied. Because young infants are ruled entirely by the id, there is no reasoning with them when these needs demand satisfaction.

Imagine trying to convince a baby to wait until lunchtime to eat his meal. Instead, the id requires immediate satisfaction, and because the other components of personality are not yet present, the infant will cry until these needs are fulfilled.

However, immediately fulfilling these needs is not always realistic or even possible. If we were ruled entirely by the pleasure principle, we might find ourselves grabbing the things that we want out of other people's hands to satisfy our own cravings.

This sort of behavior would be both disruptive and socially unacceptable. According to Freud, the id tries to resolve the tension created by the pleasure principle through the primary process, which involves forming a mental image of the desired object as a way of satisfying the need.

Although people eventually learn to control the id, this part of personality remains the same infantile, primal force all throughout life. It is the development of the ego and the superego that allows people to control the id's basic instincts and act in ways that are both realistic and socially acceptable.

2. The Ego

- The ego is the component of personality that is responsible for dealing with reality.
- According to Freud, the ego develops from the id and ensures that the impulses of the id can be expressed in a manner acceptable in the real world.
- The ego functions in both the conscious, preconscious, and unconscious mind.

The ego operates based on the reality principle, which strives to satisfy the id's desires in realistic and socially appropriate ways. The reality principle weighs the costs and benefits of an action before deciding to act upon or abandon impulses. In many cases, the id's impulses can be satisfied through a process of delayed gratification—the ego will eventually allow the behavior, but only in the appropriate time and place.

Freud compared the id to a horse and the ego to the horse's rider. The horse provides the power and motion, yet the rider provides the direction and guidance.

Without its rider, the horse may simply wander wherever it wished and do whatever it pleased. The rider instead gives the horse directions and commands to guide it in the direction he or she wishes to go.

The ego also discharges tension created by unmet impulses through the secondary process, in which the ego tries to find an object in the real world that matches the mental image created by the id's primary process.

For example, imagine that you are stuck in a long meeting at work. You find yourself growing increasingly hungry as the meeting drags on. While the id might compel you to jump up from your seat and rush to the break room for a snack, the ego guides you to sit quietly and wait for the meeting to end. Instead of acting upon the primal urges of the id, you spend the rest of the meeting imagining yourself eating a cheeseburger. Once the meeting is finally over, you can seek out the object you were imagining and satisfy the demands of the id in a realistic and appropriate manner.

3. The Superego

The last component of personality to develop is the superego.

- The superego is the aspect of personality that holds all of our internalized moral standards and ideals that we acquire from both parents and society—our sense of right and wrong.
- The superego provides guidelines for making judgments.
- According to Freud, the superego begins to emerge at around age five.

There are two parts of the superego:

1. The ego ideal includes the rules and standards for good behaviors. These behaviors include those which are approved of by parental and other authority figures. Obeying these rules leads to feelings of pride, value, and accomplishment.
2. The conscience includes information about things that are viewed as bad by parents and society. These behaviors are often forbidden and lead to bad consequences, punishments, or feelings of guilt and remorse.

The superego acts to perfect and civilize our behavior. It works to suppress all unacceptable urges of the id and struggles to make the ego act upon idealistic standards rather than upon realistic principles. The superego is present in the conscious, preconscious, and unconscious.

The Interaction of the Id, Ego, and Superego

When talking about the id, the ego, and the superego, it is important to remember that these are not three totally separate entities with clearly defined boundaries. These aspects of personality are dynamic and always interacting within a person to influence an individual's overall personality and behavior.

With so many competing forces, it is easy to see how conflict might arise between the id, ego, and superego. Freud used the term ego strength to refer to the ego's ability to function despite these dueling forces. A person with good ego strength is able to effectively manage these pressures, while those with too much or too little ego strength can become too unyielding or too disrupting.

Imbalance between the id, the ego, and the superego

According to Freud, the key to a healthy personality is a balance between the id, the ego, and the superego.

If the ego is able to adequately moderate between the demands of reality, the id, and the superego, a healthy and well-adjusted personality emerges. Freud believed that an imbalance between these elements would lead to a maladaptive personality. An individual with an overly dominant id, for example, might become impulsive, uncontrollable, or even criminal. This individual acts upon his or her most basic urges with no concern for whether the behavior is appropriate, acceptable, or legal.

An overly dominant superego, on the other hand, might lead to a personality that is extremely moralistic and possibly judgmental. This person may be very unable to accept anything or anyone that he or she perceives as "bad" or "immoral."

An excessively dominant ego can also result in problems. An individual with this type of personality might be so tied to reality, rules, and appropriateness that they are unable to engage in any type of spontaneous or unexpected behavior. This individual may seem very concrete and rigid, incapable of accepting change and lacking an internal sense of right from wrong.

STRESS MANAGEMENT

Stress is a dynamic condition in which an individual is confronted with an opportunity, demand, or resource related to what the individual desires and for which the outcome is perceived to be

both uncertain and important. Although stress is typically discussed in a negative context, it is not necessarily bad in and of itself; it also has a positive value. It's an opportunity when it offers potential gain.

Potential Sources of Stress

There are three categories of potential stressors: environmental, organizational, and personal.

1. **Environmental Factors** :Just as environmental uncertainty influences the design of an organization's structure, it also influences stress levels among employees in that organization. Indeed, uncertainty is the biggest reason people have trouble coping with organizational changes.

There are three main types of environmental uncertainty:

a. Economic: Changes in the business cycle create economic uncertainties. When the economy is contracting, for example, people become increasingly anxious about their job security.

b. Political: Threats of terrorism, changes in political threats and changes may lead to political uncertainty that becomes stressful to people.

c. Technological: Because innovations can make an employee's skills and experience obsolete in a very short time, computers, robotics, automation, and similar forms of technological change are also a threat to many people and cause them stress.

2 Organizational Factors

There is no shortage of factors within an organization that can cause stress. Pressures to avoid errors or complete tasks in a limited time, work overload, a demanding and insensitive boss, and unpleasant co-workers are a few examples.

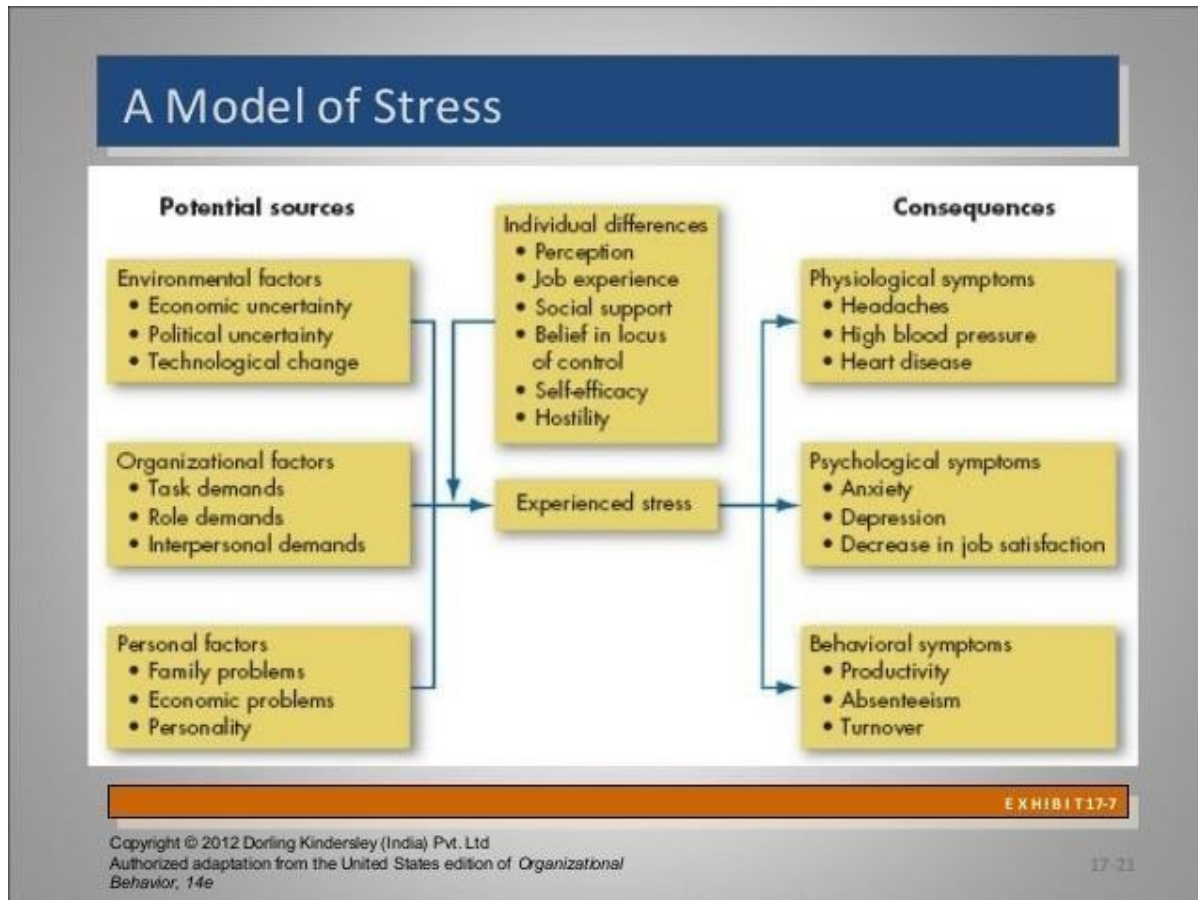
These factors are **task, role, and interpersonal demands**.

a. Task demands: Relate to a person's job. They include the design of the job (its degrees of autonomy, task variety, degree of automation), working conditions, and the physical work layout. Assembly lines can put pressure on people when they perceive the line's speed to be excessive. Working in an overcrowded room or a visible location where noise and interruptions are constant can increase anxiety and stress.

b. Role demands: Relate to pressures placed on a person as a function of the particular role he or she plays in the organization. Role conflicts create expectations that may be hard to reconcile or satisfy. Role overload occurs when the employee is expected to do more than time permits. Role ambiguity means role expectations are not clearly understood and the employee is not sure what to do.

c. Interpersonal demands: These are pressures created by other employees. Lack of social

support from colleagues and poor interpersonal relationships can cause stress, especially among employees with a high social need. A rapidly growing body of research has also



shown that negative co-worker and supervisor behaviors, including fights, bullying, incivility, racial harassment, and sexual harassment are especially strongly related to stress at work.

3. Personal Factors

The typical individual works about 40 to 50 hours a week. But the experiences and problems people encounter in the other 120-plus can spill over to the job.

Personal factors include the employee's personal life: **family issues, personal economic problems, and inherent personality characteristics.**

a. Family issues: Marital difficulties, the breaking of a close relationship, and discipline troubles with children create stresses employees often can't leave at the front door when they arrive at work.

b. Personal economic problem: Regardless of income level people have much trouble handling their finances. Some people are poor money managers or have wants that exceed their earning

capacity. The economic problems of overextended financial resources create stress and siphon attention away from work.

c. Inherent personality characteristics: The researchers concluded that some people may have an inherent tendency to accentuate negative aspects of the world. If this is true, then a significant individual factor that influences stress is a person's basic disposition. That is, stress symptoms expressed on the job may actually originate in the person's personality.

Consequences of Stress

Stress shows itself in a number of ways, such as high blood pressure, ulcers, irritability, difficulty making routine decisions, loss of appetite, accident proneness, and the like.

These symptoms fall under three general categories: **physiological, psychological, and behavioral symptoms.**

a. Physiological symptoms: Most early concern with stress was directed at physiological symptoms because most researchers were specialists in the health and medical sciences. Their work led to the conclusion that stress could create changes in metabolism, increase heart and breathing rates and blood pressure, bring on headaches, and induce heart attacks.

b. Psychological symptoms: Job dissatisfaction is "the simplest and most obvious psychological effect" of stress. But stress shows itself in other psychological states—for instance, tension, anxiety, irritability, boredom, and procrastination. For example, a study that tracked physiological responses of employees over time found that stress due to high workloads was related to higher blood pressure and lower emotional well-being.

c. Behavioural symptoms: Research on behavior and stress has been conducted across several countries and over time, and the relationships appear relatively consistent. Behavior-related stress symptoms include reductions in productivity, absence, and turnover, as well as changes in eating habits, increased smoking or consumption of alcohol, rapid speech, fidgeting, and sleep disorders.

Managing Stress

Because low to moderate levels of stress can be functional and lead to higher performance, management may not be concerned when employees experience them. Employees, however, are likely to perceive even low levels of stress as undesirable. It's not unlikely, therefore, for employees and management to have different notions of what constitutes an acceptable level of stress on the job.

Individual Approaches

An employee can take personal responsibility for reducing stress levels.

Individual strategies that have proven effective include **time-management techniques, increased physical exercise, relaxation training, and expanded social support networks.**

a. Time management techniques: Few of the best-known time-management principles are (1) making daily lists of activities to be accomplished

(2) Prioritizing activities by importance and urgency,

(3) Scheduling activities according to the priorities set,

(4) Knowing your daily cycle and handling the most demanding parts of your job when you are most alert and productive, and

(5) Avoiding electronic distractions like frequently checking e-mail, which can limit attention and reduce efficiency?

These time-management skills can help minimize procrastination by focusing efforts on immediate goals and boosting motivation even in the face of tasks that are less desirable.

b. Increased physical exercise: Physicians have recommended noncompetitive physical exercise, such as aerobics, walking, jogging, swimming, and riding a bicycle, as a way to deal with excessive stress levels. These activities increase lung capacity, lower the heart rate, and provide a mental diversion from work pressures, effectively reducing work-related levels of stress.

c. Relaxation training: Individuals can also teach themselves to reduce tension through relaxation techniques such as meditation, hypnosis, and deep breathing. The objective is to reach a state of deep physical relaxation, in which you focus all your energy on release of muscle tension. Deep relaxation for 15 or 20 minutes a day releases strain and provides a pronounced sense of peacefulness, as well as significant changes in heart rate, blood pressure, and other physiological factors.

d. Social support network: Friends, family, or work colleagues can provide an outlet when stress levels become excessive. Expanding your social support network provides someone to hear your problems and offer a more objective perspective on a stressful situation than your own.

Organizational Approaches

Several organizational factors that cause stress are controlled by management and thus can be modified or changed.

Strategies to consider include improved employee selection and job placement, training, realistic goal-setting, redesign of jobs, increased employee involvement, improved organizational communication, employee sabbaticals, and corporate wellness programs.

a. Selection and placement: Management shouldn't restrict hiring to only experienced individuals with an internal locus, but such individuals may adapt better to high-stress jobs and perform those jobs more effectively.

b. Training: Training can increase an individual's self-efficacy and thus lessen job strain.

c. Realistic Goal setting: Individuals perform better when they have specific and challenging goals and receive feedback on their progress toward these goals. Goals can reduce stress as well as provide motivation.

d. Redesigning jobs: To give employees more responsibility, more meaningful work, more autonomy, and increased feedback can reduce stress because these factors give employees greater control over work activities and lessen dependence on others. The right redesign for employees with a low need for growth might be less responsibility and increased specialization.

e. Increasing employee involvement: Employee involvement in decision making increases in employee empowerment and reduce psychological strain.

f. Increasing formal organizational communication: It employees reduces uncertainty by lessening role ambiguity and role conflict. Given the importance that perceptions play in moderating the stress–response relationship, management can also use effective communications as a means to shape employee perceptions. Remember that what employees categorize as demands, threats, or opportunities at work is an interpretation and that interpretation can be affected by the symbols and actions communicated by management.

g. Employee sabbaticals: Ranging in length from a few weeks to several months—allow employees to travel, relax, or pursue personal projects that consume time beyond normal vacations. Proponents say they can revive and rejuvenate workers who might otherwise be headed for burnout.

h. Wellness programs: Such programs typically provide workshops to help people quit smoking, control alcohol use, lose weight, eat better, and develop a regular exercise program; they focus on the employee's total physical and mental condition. Some help employees improve their psychological health as well.

Most wellness programs assume employees need to take personal responsibility for their physical and mental health and that the organization is merely a means to that end.

UNIT-5

FOUNDATIONS OF GROUP BEHAVIOUR

Definition of Group

A group is defined as two or more individuals, interacting and interdependent, who have come together to achieve particular objectives

Classification of groups

Groups can be either Formal or Informal.

1. **Formal Groups:** A designated work group defined by the organization's structure. A formal group is set up by the organization to carry out work in support of the organization's goals. In formal groups, the behaviours that one should engage in are stipulated by - and directed toward - organizational goals. Examples include a book-keeping department, an executive committee, and a product development team. Formal groups may be command groups or task groups.

i) **Command Group:** A command group consists of a manager and the employees who report to him or her. Thus, it is defined in terms of the organization's hierarchy. Membership in the group arises from each employee's position on the organizational chart.

ii) **Task Group:** A task group is made up of employees who work together to complete a particular task or project. A task group's boundaries are not limited to its immediate hierarchical superior. It can cross command relationships. An employee's membership in the group arises from the responsibilities delegated to the employee -that is, the employee's responsibility to carry out particular activities. Task group may be temporary with an established life span, or they may be open ended.

iii) **Committee:** A group of people officially delegated to perform a function, such as investigating, considering, reporting, or acting on a matter. Committee, one or more persons appointed or elected to consider report on, or take action on a particular matter. It investigates analyses and debates the problem and makes recommendation. Committee usually has their own committee member comprising of advisory authority, secretary and others. Recommendation is sent to the authority that is responsible for implementing them.

Characteristics of Formal groups

- Explicitly stated defined structure, procedural rules and membership
- Created to carry out some specific task or to meet a required goal
- Relatively permanent or temporary (e.g. steering group or problem solving group)
- Defined roles and designated work assignments
- Well Defined norms
- Specified goals and deadlines

2. Informal Groups: An organization's informal groups are the groups that evolve to meet social or affiliation needs by bringing people together based on shared interests or friendship. Thus, informal groups are alliances that are neither formally structured nor organizationally determined. These groups are natural formations in the work environment that appear in response to the need for social contact. Many factors explain why people are attracted to one another. One explanation is simply proximity; when people work near one another every day, they are likely to form friendships. That likelihood is even greater when people also share similar attitudes, personalities, or economic status.

i) **Friendship Groups:** Groups often develop because the individual members have one or more common characteristics. We call these formations 'friendship groups'. Social alliances, which frequently extend outside the work situation, can be based on similar age, same political view, attended the same college, etc.

ii) **Interest Groups:** People who may or may not be aligned into common command or task groups may affiliate to attain a specific objective with which each is concerned. This is an interest group.

iii) **Reference Groups:** Sometimes, people use a group as a basis for comparison in making decisions or forming opinions. When a group is used in this way, it is a reference group. Employees have reference groups inside or outside the organization where they work. For most people, the family is the most important reference groups. Other important reference groups typically include co-workers, friends, and members of the person's religious organization. The employee need not admire a group for it to serve as a reference group. Some reference groups serve as a negative reference; the employee tries to be unlike members of these groups.

iv) **Membership Groups:** When a person does belong to a group (formal and informal groups to which employees actually belong) the group is called a membership group (or affiliation group) for that person. Members of a group have some collection of benefits and responsibilities that go beyond the group serving as a reference point. In a membership group, each member would be expected to contribute to the group's well being and would enjoy the benefits arising from the group members' friendship.

v) **Cliques:** A relatively permanent informal groups that involves friendship. Most of the relationships came down to two cliques, each with a hanger-on, and some isolates. The groups included several different professions. They developed ideas about each other. Clique membership acted as a form of social control, forcing people to conform to group desires. The groups established norms regarding output, treatment of supervisor, reciprocity and other interpersonal relations. The cliques served as a system for sense making about organizational events. They developed their own set of beliefs, explaining things to each other.

Stages of group development

Bruce Tuckman (1965) developed a 4-stage model of group development. He labeled the stages, Dr Suess-style:

- 1. Forming:** The group comes together and gets to initially know one other and form as a group.
- 2. Storming:** A chaotic vying for leadership and trialing of group processes
- 3. Norming:** Eventually agreement is reached on how the group operates (norming)
- 4. Performing:** The group practices its craft and becomes effective in meeting its objectives.

Tuckman added a 5th stage 10 years later:

- 5. Adjourning:** The process of "unforming" the group, that is, letting go of the group structure and moving on.

Stage 1 -- Orientation (Forming):

Group members are learning what to do, how the group will operate, what's expected, and what's acceptable. Students watch the facilitator and each other for cues and clues, and seek guidelines and stated expectations. They want to feel safe and comfortable, and many will do only limited sharing until that comfort zone is established.

Some students will be comfortable sharing openly even on the first day, either because they enjoy this type of interaction, or because they already feel comfortable with the facilitator and/or the other students in the group. As a facilitator, you can call on these students to give examples, be the first to answer questions, and model positive interactions for the other group members.

As the group leader, you can also help your students move through orientation successfully by providing clear guidelines, information, and structure, by listening with compassion and keeping communication open and respectful. You may want to begin your group with some low risk warm-up activities that help them get to know each other or get more comfortable in the group setting.



Fig. Stages of Group Development

Stage 2 -- Power Struggle (Storming):

As things progress, it's normal for some power struggles to emerge. As students become more comfortable, they may challenge each other or the facilitators, attempt to form cliques and exclude or ignore certain students, and push limits. This can be frustrating for everyone involved, but it helps to know it's just a stage, and things tend to get much better once it's past.

As a facilitator, one of your main challenges is to maintain boundaries, be an active but compassionate leader, let everyone be heard and express thoughts and feelings, while teaching, reminding, and requiring them to stay respectful and productive. You can acknowledge differences, and still model creative problem solving, helping students to focus on what they have in common, and building a more cohesive group.

Stage 3 – Cooperation and Integration (Norming):

This is where being in group becomes fun and enjoyable most of the time. Group interaction becomes easier, more cooperative, and productive, with balanced give and take, open communication, bonding, and mutual respect. If there is a conflict or disruption, it's relatively easily resolved and the group gets back on track. Group leadership is still important, but the facilitator can step back a little and let group members initiate more and move forward together.

As a facilitator, you can stay aware and help the group get back on track as needed, encourage participation and creativity, and enjoy the flow of the activities. Continue to give support and encouragement, reinforce the positive feel of the group, and fine tune as needed.

Stage 4 – Synergy (Performing):

Not every group reaches this level, and if you spend most of a school year in Stage 3, it will still be a productive and enjoyable group. Synergy emerges when the group shifts or evolves into another level, often without realizing what's happening. Here, there's a sense of group unity, group members looking out for each other even outside of the group setting, deepening friendships or bonds, and a dynamic energy no matter what the task. This is the epitome of "The whole is greater than the sum of its parts."

Stage 5 – Closure (Adjourning):

The closure stage of a group can be confusing and disconcerting if you don't know it's coming. After weeks or months of a smoothly running group, as the end of group or the school year approaches, things may start to fall apart for no apparent reason. Students may bicker with and criticize each other, and anger may surface in unexpected ways.

This is a normal part of group process. Many students (and adults, for that matter) have no idea how to deal with endings, goodbyes, or losses, and they don't know how to find closure. Being angry with each other, or in conflict, is easier for many students than feeling or addressing the sadness of saying goodbye. It's easier for most to be angry than to be vulnerable. Students who have abandonment issues may become especially argumentative or unruly.

Group Decision Making

Because the performance of a group involves taking into account the needs and opinions of every group member, being able to come to an equitable decision as efficiently as possible is important for the functioning of the group. There are a variety of ways to make decisions as a group; the seven-step decision-making model presented below offers an effective structure for choosing an appropriate course of action for a particular task or project. It can also be an effective method for dealing with a problem or interpersonal conflict that arises within the group.

1. **Identify the decision to be made.** Before beginning to gather information and list alternatives, it is important for you as a group to understand clearly what you are trying to decide so you have a goal on which to focus your discussions. Potential questions to ask are: What are the particulars of the assigned task? What are we being asked to do? What conflict is affecting our group effectiveness? What barrier to effective group work are we facing?
2. **Analyze the issue under discussion.** Once you have defined your goal (i.e., the decision to be made or the problem to be overcome), examine the data and resources that you already have, and identify what additional information you may need. Ask yourselves: What is causing the problem? For whom is this a problem? What is wrong with the

current situation? Why do we need to deal with this issue/decision? Where else can we find resources?

3. **Establish criteria.** Identify the criteria or conditions that would determine whether a chosen solution is successful. Ideally, a solution will be feasible, move the group forward, and meet the needs of every group member. You may want to rank the criteria in order of importance (for example., circumstances may be such that some issues may not be fully resolved). Consider these questions: What would make a solution/decision successful? What issues need to be dealt with in the solution? What criteria will help us determine whether everyone is happy with the solution/decision? Are some criteria more necessary than others?
4. **Brainstorm potential solutions.** Using the resources and information collected above, brainstorm for potential solutions to the problem or decision identified in step 1. This involves collecting as many ideas as possible. At this stage, ideas should not be criticized or evaluated. Some questions to ask include: What are some possible solutions that would meet most of our established criteria? Are there any options that we may have overlooked? What could we do in the absence of constraints?
5. **Evaluate options and select the best one.** Once you have a list of potential solutions, you are now ready to evaluate them for the best alternative according to the criteria identified in step 3. Remember that you may be able to combine ideas to create a solution. Ideally, everyone would agree with solution (a consensus), but it's possible that not everyone will. In this case, you will need to use a different decision making methods . Additional questions to ask when evaluating alternatives are: What are the pros/cons for each option? Which option is the most realistic to accomplish for now? Which option is the most likely to solve the problem for the long-term?
6. **Implement the solution.** This involves identifying the resources necessary to implement the decision, as well as the potential obstacles, then taking action. Decide: What should be done? How? By whom? By when? In what order?
7. **Monitor and evaluate the outcome.** Based on the criteria identified in step 3, evaluate whether the decision was successful. If not, revisit step 4 to evaluate the other options or generate new ones.

Group Norms

All groups have *norms*—“acceptable standards of behavior that are shared by the group’s members.” Norms tell members what they ought and ought not to do under certain circumstances

Status: Status is a socially defined position or rank given to groups or group members by others. We live in a class-structured society despite all attempts to make it more egalitarian

Group Size: The size of a group affects the group’s overall behavior, but the effect depends on the dependent variables

Social loafing: It is the tendency for individuals to expend less effort when working collectively than when working individually.

Group Cohesiveness: The degree to which members are attracted to each other and are motivated to stay in the group

Understanding Work teams

Definitions

A team is a work group that must rely on collaboration if each member is to experience the optimum success and achievement.

"A team is a small number of people with complementary skills .who are committed to a common purpose, performance goals, and approach for which they are mutually accountable".

Team leaders place considerable emphasis on team building and then evaluate their own performance on the basis.

Role of Team Leader

- Give feedback & resolve conflict
- Help to keep team focused on the mission despite personality conflict, work style difference and blockages by interpersonal conflict
- Build trust and inspire teamwork
- Coach team members and group members toward higher levels of performance
- Facilitate and support the team decisions
- Expand the teams capabilities
- Create a team identity Anticipate & influence change
- Inspire the team toward higher levels of performance
- Enable & empower group members to accomplish their work
- Encourage team members to eliminate low-value work.

Types of Teams

1. Process Team
2. Self Managed Team
3. Cross Departmental Team Or Cross Functional Team
4. Quality Improvement Teams Or Quality Circles
5. Virtual Team

Process team: When organization do not have departmental affiliation but function immediately to undertake broad organization level process improvement.

Self Managed Team: It is a formal mature group of employees who work without supervisory personnel and responsible for a complete work package. It is a process team of employees. These are capable of producing results. They select their own team and evaluate performance. It requires a total change in organizational structure.

Cross Departmental Or Functional Team: Cross functional teams are basically to study, analyze, and offer solutions that they are required to implement. Here it cannot divert the responsibility on others. It manages social collaboration and concept creation. It is a small group of interdependent employees from various functional areas of organization. It is formed to handle a specific problem such as team becomes essential when the organization.

- Struggle with a problem that impacts many sections of the organization
- Need to improve the operation or system of process, demanding close coordination from more than one section or department.
- Reveals that multi skilled person cannot take up the work
- It requires simultaneous application of multifarious skills, expertise, and judgment of person from different sections (crossing the boundaries) to accomplish the goal.

Problem solving team: It is also called quality improvement team or quality circle or simply works team. It consists of eight to ten members from a common work area. It has a clear and specific focus on process improvement within a single work unit. Organization can establish such team without making major organizational change.

Virtual team: A virtual team allows the member to meet without concern for space or time and enables organization to link the workforce together which could not have been done in the past. This type of team members are advanced in technology, achieve business goals, solve day to day problems, provide feedback, keep all members aware, share success, encourage achievement and so forth. Geographic dispersion never appears as a roadblock.

Effective team

- An effective team has certain characteristics that allow the team members to function more efficiently and productively.
- They develop ways to share leadership roles and ways to share accountability for their work products, shifting the emphasis from the individual to several individuals within the team.
- Building and maintaining effective teams is a time consuming and sensitive process particularly in businesses where the pressures of the moment are often intense.
- Most attempts at team building don't work well, simply because managers and staff fail to appreciate the effort that has to be invested in time and attention to detail.

There is little doubt, however, that when done well teamwork contributes considerably to greatly improved productivity and reduced cost.

Characteristics of an Effective Team

- Effective teams operate in an environment in which there is two way trust in an environment of open and honest communication
- Feedback on "performance" should be two-way and constant. •It should provide information to all members of the team on how their work supports the specific and overall effort of the team and the practice.
- Listening is a feature of that communication.
- Teams accept responsibility and not "blame" one another for team mistakes, nor should they spend useless time in personal justifications.
- They celebrate their successes together, just as they identify the special performances and contributions of each individual.
- Good team work is based on prideful humility: pride in the outcomes of the team and a humility that assumes that other team members may well have a level of expertise that can add value to the outcome.
- Good teams look upon first time mistakes as opportunities for learning, rather than criticism and punishment. They are, however, tough on repetitive errors, just as they encourage appropriate risk and innovation.
- Good teams honor the contribution that each member makes to the total work of the team