

## INTERPERSONAL BEHAVIOR

Interpersonal behavior is the behavior and actions that are present in human relationships. The way in which people communicate, and all that this entails, is considered interpersonal behavior. Interpersonal behavior may include both verbal communication and nonverbal cues, such as body language or facial expressions. Verbal interpersonal behavior consists of joking, relating to one another via the art of storytelling, and taking or following orders. Interpersonal skills are highly desirable in many situations, specifically careers that rely on personal relationships such as the health care industry or sales.

The study of interpersonal behavior is a social science that examines the way people interact with one another.

Generally, interpersonal behavior means the interaction which takes place between two or more persons. We live in a social world and it's imperative to build and maintain relationships in our social world. But, if we talk about the organizational behavior, the interpersonal behaviors in the workplace become more sophisticated. Interpersonal behavior represents a strong association among the individuals who work together in the same workplace. To deliver their best, employees ought to share a special bond. Every employee should participate in a healthy interpersonal behavioral relationship so that there can establish a positive ambience at the workplace. The communication within the organization heavily relies upon the interpersonal behaviors of the employees working together. There are various tools which employees use within the organization to interact and communicate with each other in an organization.

Interpersonal Skills:

People use interpersonal skills within the organizational framework to communicate with each other. OB theorists have identified seven areas of interpersonal skills within the organizational environment:

- 1 **Verbal Communication:** Verbal communication is to communicate the thoughts through words. The thoughts to be communicated can be the feelings, emotions, ideas, objections, sentiments etc. Thus verbal communication is to express you before someone. Verbal communication is of great importance in everyday life. It's impossible to think life without verbal communication. From barbarism to civilization, communication has gone under many modifications and what we have today as verbal communication is an advanced form. Our ability to express ourselves before others with help of organized words sets us apart from other species found on this planet.
- 2 **Non – Verbal Communication:** As the name suggests, non verbal communication is a type of communication where one communicates with other without using any words. This type of communication is facilitated by sending and receiving wordless cues while interacting with each other. Non verbal communication includes the facial expression, voice tone and pitch, body gestures, body language (kinesics) and the physical distance (proxemics) between the people while communicating with each other. These elements of non verbal communication provides hints, clues and additional information to other person. Many times, people mistakenly use refer non verbal communication as body language, where as body language is just a part of non verbal communication. Non verbal communication includes many other parts such as paralanguage, haptics, proxemics, chronemics, oculensics etc.
- 3 **Listening Skills :** Listening is an important part of communication whether it is verbal communication or non verbal communication. There is no communication if the message

which is to be conveyed it not listened properly by the listeners. Listening skills are important in organization culture. Effective listening is a key to better work attitude and working relationships between the management and the employees. Listening skills also impact the company's communication with its customers. A very dynamic process, listening is about the attention and interest one gives to other during communication. Most of the time, listening is used as hearing while there're differences. Listening is an active and dynamic process but hearing is a passive process. Listening is more about focusing and concentration what is being said. Hearing just perceives the sounds. Listening means whatever is said, is understood properly.

- 4 **Negotiation**
- 5 **Problem – Solving**
- 6 **Decision – Making**
- 7 **Assertiveness**

Interpersonal behavior is required by every individual employee from higher to lower hierarchy. An employee has to spend around seven to eight hours of his day in the organization and it becomes impossible to work alone without interpersonal interaction. People need to share and hear each other. The environment becomes very hostile if there is only work and no time for the people to stretch out with no friends. Human being is a social animal and he needs friends around him. Isolation brings stress and psychological tensions.

## **TRANSACTION ANALYSIS**

Transactional Analysis is a theory developed by Dr. Eric Berne in the 1950s. Originally trained in psychoanalysis, Berne wanted a theory which could be understood and available to everyone and began to develop what came to be called Transactional Analysis (TA). Transactional Analysis is a social psychology and a method to improve communication. The theory outlines how we have developed and treat ourselves, how we relate and communicate with others, and offers suggestions and interventions which will enable us to change and grow. Transactional Analysis is underpinned by the philosophy that:

- people can change
- we all have a right to be in the world and be accepted

Transactional Analysis (or TA as it is often called) is a model of people and relationships that was developed during the 1960s by Dr. Eric Berne. It is based on two notions, first that we have three parts or 'ego-states' to our 'personality, and secondly that these converse with one another in 'transactions' (hence the name). TA is a very common model used in therapy and there is a great deal written about it. The idea is that if you know your own state, and can determine the other person's state, you can use your own behavior to influence the interaction between two of you.

## **EGO STATES**

According to Berne, an **ego state** is a consistent pattern of feeling and experience directly related to a corresponding consistent pattern of behavior. Berne defined **three ego states** that can be confirmed by observable behavior: the parent, adult, or child.

## **PARENT EGO STATE**

The **parent** is the ego state that contains the external events that were imposed on people in the first five years of their life. These are constructs that are imposed on the child. Examples would be 'Don't talk to strangers,' 'Always hold a grown-up's hand when you cross the street,' or 'Don't touch a hot stove.'

When the parent ego is in control, people behave from one of two perspectives:

**1. Critical Parent:**When you behave and respond with evaluative responses that are critical, judgmental, opinionated, demanding, disapproving, disciplining, and so on, you are in critical parent ego state. People in the critical parent ego use a lot of do's and don'ts. Managers using the autocratic style tend to be in critical parent ego state because they use high task/directive behavior.

**2. Sympathetic Parent:**On the other hand, you can also be a different type of parent. When you behave and respond with reassuring responses that are protecting, permitting, consoling, caring, nurturing, and so on, you are in sympathetic parent ego state. Managers using the consultative and participative styles tend to be in sympathetic parent ego state because they are using high supportive/relationship behavior.

### **CHILD EGO STATE**

The **child** is the ego state that contains the feelings and emotions related to the external events that were imposed on a person in the first five years of life. These feelings or emotions are replayed in the person's mind when the corresponding external event is recalled. Examples would be 'Being approached by a strange person makes me feel nervous,' 'I feel safe when I hold someone's hand,' or 'I am scared of being burned.'

When the child ego state is in control, people behave from one of two perspectives:

**1. Natural Child:**When you behave and respond with probing responses that show curiosity, intimacy, fun, joyfulness, fantasy, impulsiveness, and so on, you are in natural child ego state. Successful managers do not tend to continuously operate from the natural child ego state.

**2. Adapted Child:**When you behave with confronting responses that express rebelliousness, pouting, anger, fear, anxiety, inadequacy, procrastination, blaming others, and so on, you are in adapted child ego state. Managers should avoid behaving from the adapted child ego state because this type of behavior often leads to the employee becoming emotional and behaving in a similar manner. When managers are transacting with an employee in this ego state, they should not react with similar behavior, but should be in the adult ego state.

### **ADULT EGO STATE**

The last ego state is the **adult**. The adult is the ego state that evaluates what is really going on and makes independent decisions about the world. This ego state begins forming as soon as we gain the ability to control aspects of our environment. It allows a person to compare what they are told about the world with what they feel and experience. Let's use the hot stove as an example. The adult is told by the parent not to touch a hot stove and recognizes that the child's fear of being burned is reasonable. Therefore, the adult determines to use caution when it's necessary to use a hot stove. When the adult ego is in control, people behave in a thinking, rational, calculating, factual, unemotional manner. The adult gathers information, reasons things out, estimates probabilities, and makes decisions with cool and calm behavior. When communicating in the adult ego state, you avoid becoming the victim of the other person by controlling your response to the situation.

Thomas Harris uses an extremely simplified way to explain these ego states. The parent is a taught concept, the child is a felt concept, and the adult is a learned concept.

## **TYPES OF TRANSACTIONS**

Within ego states there are three different types of transaction: complementary, crossed, and ulterior

### **Complementary Transactions**

A complementary transaction occurs when the sender of the message gets the intended response from the

receiver. For example, an employee makes a mistake and, wanting some sympathy, apologizes to the boss.

Employee `I just dropped the thing when I was almost done. Now I have to do it all over again.'

Supervisor `It happens to all of us; don't worry about it.' This complementary transaction is illustrated below

Another example of a complementary transaction is a supervisor who wants a job done and delegates it, expecting the employee to do it. The supervisor behaves on an adult-to-adult level.

Supervisor `please get this order ready for me by two o'clock.' Employee `I'll have it done before two o'clock, no problem.'

Generally, complementary transactions result in more effective communication with fewer hurt feelings and arguments. In other words, they help human relations and performance. Exceptions are if an employee uses an adapted child or critical parent ego state and the supervisor does, too. These complementary transactions can lead to problems.

### **Crossed Transactions**

Crossed transactions occur when the sender of the message does not get the expected response from the receiver. Returning to our first example: Employee `I just dropped the thing when I was almost done. Now I have to do it all over again.' Supervisor `you are so clumsy.'

From our second example: Supervisor `please get this order ready for me by two o'clock.' Employee `why do I have to do it? Why don't you do it yourself? I am busy.' This cross transaction is an adult adapted to child response.

Generally, cross transactions result in surprise, disappointment, and hurt feelings for the sender of the message. The unexpected response often gets the person emotional, which often results in

his or her changing to the adapted child ego state, which causes the communication to deteriorate further. Cross transactions often end in arguments and hurt human relations. Cross transactions

can be helpful when the negative parent or child ego response is crossed with an adult response.

This cross over may result in the preferred adult to adult conversation.

### **Ultrior Transactions**

Ultrior, or hidden, transactions occur when the words seem to be coming from one ego state, but in reality the words or behaviors are coming from another. For example, after a training program, one of the participants came up to a consultant asking advice on an adult ego state.

When the consultant gave advice, the participant twice had quick responses as to why the advice would not work (child rather than adult behavior). The

consultant realized that what the participant actually wanted was sympathetic understanding for his situation, not advice. The consultant stopped making suggestions and listened actively, using

reflective responses. The consultant changed from the adult to the sympathetic parent ego state in order to have a complimentary transaction.

Sometimes people don't know what they want or how to ask for it in a direct way, so they use ulterior transactions. When possible, it is best to avoid ulterior transactions because they tend to waste time. Avoid making people search for your hidden meanings. Plan your message before you send it. When receiving messages look for ulterior transactions and turn them into complimentary transactions, as stated above.

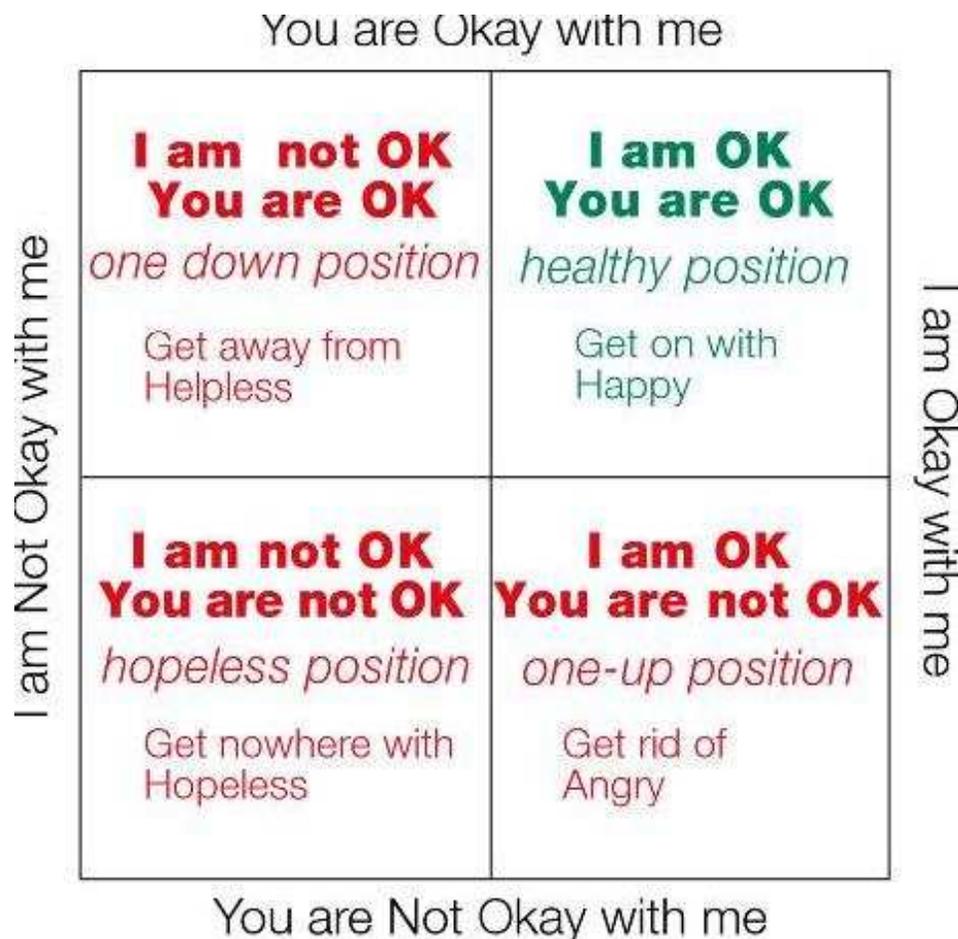
### BASIC LIFE POSITIONS

The concept of life positions is another basic idea from transactional analysis theory. Life positions works with the assumption that we choose very early on in our life, before age 2, a basic stance towards ourselves and other people. It represents the fundamental stance a person takes about the essential value he or she perceives in him or herself and other people.

A person's life position at any given time expresses in some way just how that individual is relating to others in terms of thinking, feeling and behaving.

The following diagram is called "The OK Corral" by Franklin Ernst (with some of my own adaptations). It shows the four basic life positions we can assume:

- 1 **"I am ok, you are ok,"** which is short for "I am ok with myself and with you too."
  - 2 **"I am ok, you are not ok,"** short for "I am ok, but I can't rely on or trust you. I feel there is something wrong with other people around me."
  - 3 **"I am not ok, you are ok,"** short for "There is something fundamentally wrong with me, but everybody else is ok."
  - 4 **"I am not ok, you are not ok,"** short for "There is something fundamentally wrong with me and other people are unreliable, untrustworthy, wrong in some way too."
- It's easy to see that the best place to come from is "I am ok, you are ok!"



## JOHARI WINDOW

The Johari Window is a communication model that is used to improve understanding between individuals. The word "Johari" is taken from the names of Joseph Luft and Harry Ingham, who developed the model in 1955.

There are two key ideas behind the tool:

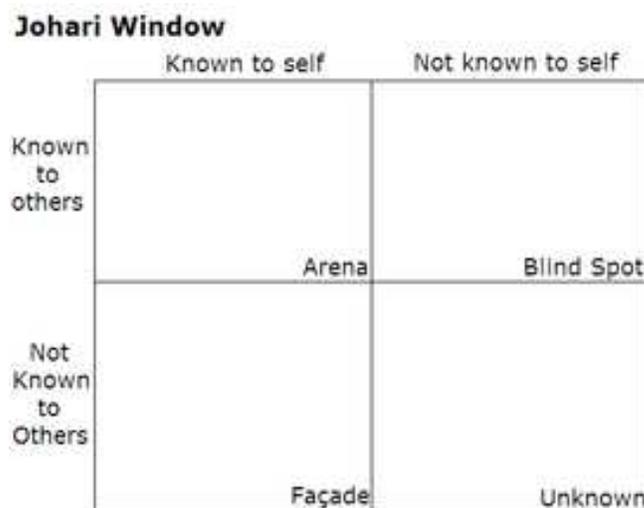
- 1 That you can build trust with others by disclosing information about yourself.
- 2 That, with the help of feedback from others, you can learn about yourself and come to terms with personal issues.

By explaining the idea of the Johari Window, you can help team members to understand the value of self-disclosure, and you can encourage them to give, and accept, constructive feedback.

Done sensitively, this can help people build better, more trusting relationships with one another, solve issues, and work more effectively as a team.

### Different regions of Johari Window

- 1 what is known by the person about him/herself and is also known by others - **open area, open self, free area, free self, or 'the arena'**
- 2 what is unknown by the person about him/herself but which others know - **blind area, blind self, or 'blindspot'**
- 3 what the person knows about him/herself that others do not know - **hidden area, hidden self, avoided area, avoided self or 'façade'**
- 4 what is unknown by the person about him/herself and is also unknown by others - **unknown area or unknown self**



## **LEADERSHIP**

Leadership is an attempt at influencing the activities of followers through the communication process and toward the attainment of some goal or goals. Leadership is an influence process that enable managers to get their people to do willingly what must be done, do well what ought to be done. Leadership is interpersonal influence, exercised in a situation, and directed, through the communication process, toward the attainment of a specified goal or goals.

Leadership is interpersonal influence, exercised in a situation, and directed, through the communication process, toward the attainment of a specified goal or goals.

### **LEADERS ARE BORN OR MADE?**

#### **Leaders are born not made:**

Great Man theory and Trait theories believe that **people inherit certain qualities and traits** that make them better suited to leadership.

To suggest that leaders do not enter the world with extraordinary endowment is to imply that people enter the world with equal abilities, with equal talents.” (Thomas Carlyle 1840)

There are certain inborn characteristics that predispose people to be and become leaders. There is a significant difference between “**learning a skill**” and **mastering one**, in the same way that others are born with amazing musical gifts or athletic talents. They will excel naturally in these areas but others would be like a fish out of water and may struggle to get to the same point.

**Born (natural) Leaders are different to made (artificial leaders).** All remarkable leaders have great history behind them. They were leaders from the onset of their journey.

If leaders were solely born what is the point of the rest of us studying leadership or management?

**Birth is a natural process and the notion to associate leadership with it is arguable.**

#### **Leaders are made not born:**

Behavioral Theories believe that **people can become leaders through the process of teaching, learning and observation.** Leadership is a set of skills that can be learned by training, perception, practice and experience over time. Leadership learning is lifetime activity. Good leaders seek out development opportunities that will help them learn new skills.

The military embraces this doctrine which is evident through its leadership training programme.

Can enrolling for a programme on management and leadership makes someone a leader upon completion? **Can Charisma, Influence, Integrity and the ability to Inspire be taught?** Will the granting of a certificate and a few letters after one’s name make them a leader?

Soft skills can be explained, but not implanted. The ability to share your vision takes more than a sophisticated PowerPoint presentation and some crisp words on a bunch of 4x6 cards.

Leadership can be learned by anyone with the basics. **But an awful lot of leadership cannot be taught.** Some do well but others find themselves poorly equipped rendering mediocre results.

#### **The Verdict:**

Leadership is an art rather than a science. It is a set of innate traits, refined and perfected over time with education, training and experience.

There is also an aspect of being in the **right place in the right time**. You may be a leader but also a matter of whether or not you are in the position within which your talents can shine forth. The discussion about leadership also needs to identify the **location as well as the environment**. Are we speaking about these major performers (born or made) in a small organization, in an industry, in a society, in a country or in the world?

If the fear of leading overrides the willingness to take on the responsibilities then one is a follower. Not everyone can be a leader just like not everyone can become a good actor. Some people will never have that aspect in them while others have the latent ability and thus can be taught how to lead. **All the books, classes education and training cannot turn a follower into a leader.**

To be a leader in a structured environment, one needs some formal training. Most people can learn to manage well, start a business, lead a project team since good management is based on rules - rules that can be learned and mastered.

**Leadership is often a Choice.** A leader is a person who comes forward to take the challenge. If a leader rises up from the multitude, then that person was already a leader to begin with. Should someone have all the best training, nurturing and opportunities, but would rather be hidden in the crowd, an unwilling participant...not a leader.

Leadership styles varies with maturity, followers and situations.

## **LEADERSHIP STYLES**

### **Lewin's Leadership Style**

Kurt Lewin and colleagues did leadership decision experiments in 1939 and identified three different styles of leadership, in particular around decision-making.

#### **Autocratic**

This style is also known as authoritarian leadership. In the autocratic style, the leader takes decisions without consulting with others. The decision is made without any form of consultation. Simply autocratic leaders make choices based on their ideas, experience and judgements and rarely accept advice from team members. In Lewin's experiments, he found that this caused the most level of discontent.

An autocratic style works when there is no need for input on the decision, where the decision would not change as a result of input, and where the motivation of people to carry out subsequent actions would not be affected whether they were or were not involved in the decision-making. However, this style can be demoralizing for an organization as well as it can lead to high levels of staff turnover and absenteeism.

#### **Characteristics**

- Work methods are dictated by group leaders.
- Limited employee participation in most aspects of work.
- Unilateral decision making by leader.
- Group members are rarely trusted with decisions or important tasks.

#### **Advantages**

- It can be beneficial in some instances, such as when decisions need to be made quickly without consulting a large group of people.
- Some projects require strong leadership in order to get things accomplished quickly and efficiently.

### **Disadvantages**

- People who abuse an autocratic leadership style are viewed as bossy, controlling and dictatorial.
- Team members or people in group may dislike that they are unable to contribute ideas.
- Autocratic leadership leads to a lack of creative solutions to problems, which can ultimately hurt the performance of group.

### **When it is used?**

- Short-term projects with a highly technical, complex or risky element.
- work environment where span of control are wide and hence manager has less time to devote to each employee.
- Industries where employees need to perform low-skilled, monotonous and repetitive tasks and generally have low level of motivation.
- Projects where the work performed needs to be completed to exact specification with a tight deadline.

### **Democratic**

This style is also known as participative leadership. In the democratic style, the leader involves the people in the decision-making, although the process for the final decision may vary from the leader having the final say to them facilitating consensus in the group. This style encourages creativity of team members, and they are often highly engaged in projects and decisions.

Democratic decision-making is usually appreciated by the people, especially if they have been used to autocratic decisions with which they disagreed. It can be problematic when there are a wide range of opinions and there is no clear way of reaching an equitable final decision. This also results in high levels of job satisfaction.

### **Characteristics**

- Managers seeks consultation on major issues and decisions.
- Participative leaders seeks to involve other people in the process of decision makings.
- Managers effectively delegates tasks to subordinates and gives them full control and responsibility for those tasks.
- Managers welcomes feedback on the results of initiatives and the work environment.
- Managers encourages others to become leader and be involved in leadership development.

### **Advantages of Democratic Leadership**

- **Good working environment:** employees at all levels can be given and feel a level of responsibility to challenge themselves. Because of the good working environment created by the democratic style employees are more likely to enjoy their work.
- **Less severe failure:** because consultation happens before decisions are made there is less chance of a disastrous decision being made by the leader.
- **Creative culture:** unlike an autocratic culture employees are encouraged to have ideas and solve problems on their own initiative. This can obviously lead to more opportunities being identified in the marketplace.

### **Disadvantages of Democratic Leadership**

- **Slow decision making:** The real disadvantage with democratic leadership is that decisions can often take a long time to happen. This can be a particular problem when gaining first mover advantage is important.
- **Leader hidden in group:** if the leader is unsure or weak they can often hide this by allowing the group to make all the decisions.

### **When to use Democratic Leadership**

Democratic Leadership is particularly useful in companies which practice continuous process improvement as everyone is encouraged to feed into the process of continuous improvement. It is also useful in highly competitive and complex industries where it allows the best ideas to rise to the top, and facilitates the rising and establishment of future leaders within the organization.

### **Laissez-Faire**

Laissez-faire leadership is also known as delegated leadership style. The laissez-faire style is to minimize the leader's involvement in decision-making, and hence allowing people to make their own decisions, although they may still be responsible for the outcome.

Laissez-faire works best when people are capable and motivated in making their own decisions, and where there is no requirement for a central coordination, for example in sharing resources across a range of different people and groups.

### **Characteristics**

- The managers consider their subordinates capable, active and responsible individual and have faith in them.
- Decisions are taken by subordinates instead of managers.
- Leaders widely distribute their authority to enable every individual to determine his objective and make his plans accordingly.
- Free-rein leader only perform the function of coordination, direction and general control.
- Leaders interfere only in adverse situations. The supervision and control is done by employees themselves.

### **Advantages**

- Positive effect on job satisfaction and moral of subordinates.
- It gives chance to take initiative to the subordinates.

- Maximum possible scope for development of subordinates.

### **Disadvantages**

- Under this style of leadership, there is no leadership at all.
- Subordinates do not get the guidance and support of the leader.
- Subordinates may move in different directions and may work at cross purpose which may create problem for the organization.

### **Transactional Leadership**

Transactional leadership promotes compliance with existing organizational goals and performance expectations through supervision and the use of rewards and punishments. Transactional leaders are task- and outcome-oriented. Especially effective under strict time and resource constraints and in highly-specified projects, this approach adheres to the status quo and employs a form of management that pays close attention to how employees perform their tasks.

### **Transformational Leadership**

Transformational leadership focuses on increasing employee motivation and engagement and attempts to link employees' sense of self with organizational values. This leadership style emphasizes leading by example, so followers can identify with the leader's vision and values. A transformational approach focuses on individual strengths and weaknesses of employees and on enhancing their capabilities and their commitment to organizational goals, often by seeking their buy-in for decisions.

### **Comparing Leadership Types**

Transactional and transformational leadership exhibit five key differences:

- 1 Transactional leadership reacts to problems as they arise, whereas transformational leadership is more likely to address issues before they become problematic.
- 2 Transactional leaders work within existing an organizational culture, while transformational leaders emphasize new ideas and thereby "transform" organizational culture.
- 3 Transactional leaders reward and punish in traditional ways according to organizational standards; transformational leaders attempt to achieve positive results from employees by keeping them invested in projects, leading to an internal, high-order reward system.
- 4 Transactional leaders appeal to the self-interest of employees who seek out rewards for themselves, in contrast to transformational leaders, who appeal to group interests and notions of organizational success.
- 5 Transactional leadership is more akin to the common notions of management, whereas transformational leadership adheres more closely to what is colloquially referred to as leadership.

### **Managerial Grid**

Robert Blake and Jane Mouton (1960s) proposed a graphic portrayal of leadership styles through a **managerial grid** (sometimes called leadership grid). The grid depicted two dimensions of leader behavior, **concern for people** (accommodating people's needs and giving them priority) on y-axis and **concern for production** (keeping tight schedules) on x-axis, with each dimension ranging from low (1) to high (9), thus creating 81 different positions in which the leader's style may fall.

### Understanding the Model

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.

The five resulting leadership styles are as follows:

- 1 Impoverished Management (1, 1) - Low Results/Low People:** Managers with this approach are low on both the dimensions and exercise minimum effort to get the work done from subordinates. The leader has low concern for employee satisfaction and work deadlines and as a result disharmony and disorganization prevail within the organization. The leaders are termed ineffective wherein their action is merely aimed at preserving job and seniority.
- 2 Task management (9, 1) - High Results/Low People:** Also called dictatorial or perish style. Here leaders are more concerned about production and have less concern for people. The style is based on theory X of McGregor. The employees' needs are not taken care of and they are simply a means to an end. The leader believes that efficiency can result only through proper organization of work systems and through elimination of people wherever possible. Such a style can definitely increase the output of organization in short run but due to the strict policies and procedures, high labour turnover is inevitable.
- 3 Middle-of-the-Road (5, 5) - Medium Results/Medium People:** This is basically a compromising style wherein the leader tries to maintain a balance between goals of company and the needs of people. The leader does not push the boundaries of achievement resulting in average performance for organization. Here neither employee nor production needs are fully met.
- 4 Country Club (1, 9) - High People/Low Results:** This is a collegial style characterized by low task and high people orientation where the leader gives thoughtful attention to the needs of people thus providing them with a friendly and comfortable environment. The leader feels that such a treatment with employees will lead to self-motivation and will find people working hard on their own. However, a low focus on tasks can hamper

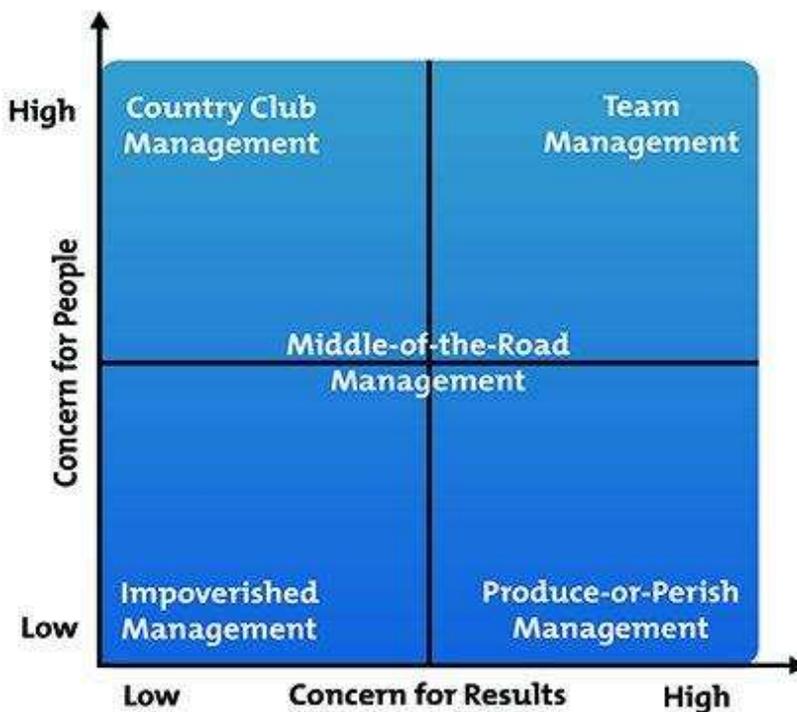
production and lead to questionable results.

- 5 Team Management (9, 9) - High Production/High People:** Characterized by high people and task focus, the style is based on the theory Y of McGregor and has been termed as most effective style according to Blake and Mouton. The leader feels that empowerment, commitment, trust, and respect are the key elements in creating a team atmosphere which will automatically result in high employee satisfaction and production.

### Advantages of Blake and Mouton's Managerial Grid

The Managerial or Leadership Grid is used to help managers analyze their own leadership styles through a technique known as grid training. This is done by administering a questionnaire that helps managers identify how they stand with respect to their concern for production and people. The training is aimed at basically helping leaders reach to the ideal state of 9, 9.

### Limitations of Blake and Mouton's Managerial Grid



The model ignores the importance of internal and external limits, matter and scenario. Also, there are some more aspects of leadership that can be covered but are not.

## THEORIES OF LEADERSHIP

## **Great Man Theory**

According to Great Man theory, leaders are not like other people. They do not need to be intellectually genius or omniscient prophets to succeed, but they definitely should have the right stuff which is not equally present in all people. This orientation expresses an approach to the study of leadership known as the **great man theory**.

This theory postulates that:

- The leaders are born and not made.
- They possess certain traits which were inherited.
- Great leaders can arise when there is a great need.

Thomas Carlyle who commented on the great men or heroes of the history saying that “the history of the world is but the biography of great men”. According to him, a leader is the one gifted with unique qualities that capture the imagination of the masses.

Earlier leadership was considered as a quality associated mostly with the males, and therefore the theory was named as the great man theory. But later with the emergence of many great women leaders as well, the theory was recognized as the great person theory.

The great man theory of leadership states that some people are born with the necessary attributes that set them apart from others and that these traits are responsible for their assuming positions of power and authority. A leader is a hero who accomplishes goals against all odds for his followers. The theory implies that those in power deserve to be there because of their special endowment. Furthermore, the theory contends that these traits remain stable over time and across different groups. Thus, it suggests that all great leaders share these characteristic regardless of when and where they lived or the precise role in the history they fulfilled.

### **Criticism**

Many of the traits cited as being important to be an effective leader are typical masculine traits. In contemporary research, there is a significant shift in such a mentality.

## **Trait Theory of Leadership**

The trait model of leadership is based on the characteristics of many leaders - both successful and unsuccessful - and is used to predict leadership effectiveness. The resulting lists of traits are then compared to those of potential leaders to assess their likelihood of success or failure.

### **Assumptions**

People are born with inherited traits.

Some traits are particularly suited to leadership.

People who make good leaders have the right (or sufficient) combination of traits.

Among the core traits identified are:

- Achievement drive: High level of effort, high levels of ambition, energy and initiative
- Leadership motivation: an intense desire to lead others to reach shared goals
- Honesty and integrity: trustworthy, reliable, and open
- Self-confidence: Belief in one's self, ideas, and ability

- Cognitive ability: Capable of exercising good judgment, strong analytical abilities, and conceptually skilled
- Knowledge of business: Knowledge of industry and other technical matters
- Emotional Maturity: well adjusted, does not suffer from severe psychological disorders.
- Others: charisma, creativity and flexibility

TRAITS	SKILLS
Adaptable to situations	Clever
Alert to social environment	Conceptually skilled
Ambitious and achievement-oriented	Creative
Assertive	Diplomatic and tactful
Cooperative	Fluent in speaking
Decisive	Knowledgeable
Dependable	Organized (administrative ability)
Dominant(Desire to influence others)	Persuasive
Energetic	Socially skilled
Persistent	
Self-confident	
Tolerant of stress	
Willing to assume responsibility	

### Limitations of The Trait Theory

- There is bound to be some subjective judgment in determining who is regarded as a 'good' or 'successful' leader
- The list of possible traits tends to be very long. More than 100 different traits of successful leaders in various leadership positions have been identified. These descriptions are simply generalities.
- There is also a disagreement over which traits are the most important for an effective leader
- The model attempts to relate physical traits such as, height and weight, to effective leadership. Most of these factors relate to situational factors. For example, a minimum weight and height might be necessary to perform the tasks efficiently in a military leadership position. In business organizations, these are not the requirements to be an effective leader.
- The theory is very complex.

## **Behavioral Theories**

Behavioral theories of leadership are classified as such because they focus on the study of specific behaviors of a leader. For behavioral theorists, a leader behavior is the best predictor of his leadership influences and as a result, is the best determinant of his or her leadership success. This behavior-focused approach provides real marketing potential, as behaviors can be conditioned in a manner that one can have a specific response to specific stimuli.

Behavioral is a big leap from Trait Theory, in that it assumes that leadership capability can be learned, rather than being inherent. This opens the floodgates to leadership development, as opposed to simple psychometric assessment that sorts those with leadership potential from those who will never have the chance.

A behavioral theory is relatively easy to develop, as you simply assess both leadership success and the actions of leaders. With a large enough study, you can then correlate statistically significant behaviors with success. You can also identify behaviors which contribute to failure, thus adding a second layer of understanding.

There are two important Behavioral studies:

### **Ohio State University (1940s)**

As leadership studies that were aimed at identifying the appropriate traits didn't yield any conclusive results, a group of people from Ohio State University developed a list of 150 statements from their generated responses that included 1,800 hundred statements. The list was designed to measure nine different behavioral leadership dimensions. The resulting questionnaire is now well-known as the LBDQ or the Leaders Behavior Description Questionnaire.

As part of the study, the LBDQ was administered to various groups of individuals ranging from college students and their administrators, private companies including military personnel. One of the primary purposes of the study was to identify common leadership behaviors. After compiling and analyzing the results, the study led to the conclusion that there were two groups of behaviors that were strongly correlated. These were defined as Consideration (People Oriented behavioral Leaders) and Initiating Structure (Task Oriented Leaders).

### **University of Michigan (1950s)**

Lead by the famous organizational psychologist, Dr. Rensis Likert, the leadership studies at the University of Michigan identified three characteristics of effective leadership; two of which were previously observed in studies that had been conducted at Ohio State University. The study showed that task and relationship-oriented behaviors weren't of major significance within the world of organizational psychology.

## **GROUP**

A group can be defined as two or more interacting and interdependent individuals who come together to achieve particular objectives. A group behavior can be stated as a course of action a group takes as a family. For example: Strike.

A group must be distinguished from a mere aggregation of persons. A group means two or more persons interacting for a common goal. members of a group are mutually interdependent.

### **Characteristics of groups in organization**

Following are the most important characteristics of groups in organizations:

- Members of a group work towards the accomplishment of common goals and purposes.
- Members have to perform a well-defined task.
- Each member has to participate.
- Each member of the group must believe that he is a part of the group and be aware of his membership.
- Members have relevant discussion with high degree of participation.
- One of the members of group may be the leader who coordinates the activities of group.
- Effective group tends to make decisions by general consensus with minimal formal voting.

### **TYPES OF GROUPS**

There are two types of groups an individual forms. They are formal groups and informal groups. Let us know about these two groups.

#### **Formal Groups**

These are the type of work groups created by the organization and have designated work assignments and rooted tasks. The behavior of such groups is directed toward achieving organizational goals.

(i) Formal groups are part of the organizational structure.

(ii) These are created deliberately and consciously by the management to perform the assigned duties.

(iii) The pattern of communication is also defined and the rules are laid down to regulate the behavior of group members.

(iv) These groups may be either permanent in the form of top management team such as Board of Directors or staff groups providing specialized services to the organization and so on; or these formal groups may be constituted on temporary basis for fulfilling certain specified objectives.

When such objectives are fulfilled, these disappear. These may be in the form of temporary committees, task force etc.

**The Formal Groups may further be sub classified into the following groups:**

#### **(i) Command Groups:**

The command group is the most frequent type of formal group. It is relatively permanent and is specified by the organization chart. It comprises of managers or supervisors and subordinates,

who meet regularly to discuss general and specific ideas to improve product or service. In business organizations, most employees work in such command groups.

Thus, a manager and his supervisors reporting to him form one command group. The supervisor and the subordinates reporting to him from other command groups.

### **(ii) Task Forces:**

Task groups are also organizationally determined. But it is a temporary group representing the employees who are working together to complete a job task or particular project. However, a task group's boundaries are not limited to its immediate hierarchical superior. For example, if a problem involving many departments arises, a task force made up of representatives from each of the affected departments, might be formed to examine the problem and suggest solutions.

### **(iii) Committees:**

The committees are also set up for some special projects. These can be permanent such as planning committee or a budget committee and may become an integral part of the organizational structure. A committee can also be temporary such as a special task force which is set up for a particular purpose and is disbanded when the purpose is achieved. For example, the committee constituted to elect the president of the company is temporary and is disbanded after the election.

### **Informal Groups**

Informal groups are alliances that are neither formally structured nor organizationally determined. These groups are natural formations in the work response to the common interests of the organization members such as self defense, work assistance and social interaction.

### **The features of these groups are as follows:**

- (i) The informal groups are formed by the members of such groups by themselves rather than by the management.
- (ii) These groups arise spontaneously in the organization because of social interaction between the people.
- (iii) These are based on common interests, language, taste, caste, religion, background etc.
- (iv) These groups exist outside the formal authorities system and without any set rigid rules.
- (v) Though officially unrecognized, these groups exist in the shadow of the formal structure as a network of personal and social relations which must be understood and respected by the management.
- (vi) These groups have their own structure, with their own leaders, and followers, group goals, social roles and working patterns. They have their own unwritten rules and a code of conduct which every member accepts implicitly. Members trust and respect each other.
- (vii) The informal groups are more flexible than the formal groups. Rules and procedures being unwritten, they can change from situation to situation.
- (viii) Since these groups concentrate on the personal contact between the members, they represent the human side of enterprise as compared to technical side represented by the formal groups.

Since informal interaction is spontaneous it can take place in any way.

**Consequently, informal organizations may be of different types as explained below:**

**(i) Interest and Friendship 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 called an interest group. For instance, the employees who group together to pressurize the management for subsidized transport constitute an interest group.

A friendship group includes close friends or relations. These groups arise because members know each other very well before joining the organization and in the initial stages, they recognize each other only. These social alliances, which frequently extend outside the work situation, can be based on similar age or ethnic heritage or for holding similar political views or for having the same hobbies etc.

**(ii) Cliques:**

Another type of informal groups is called cliques. These groups consist of colleagues or those who commonly associate with each other and observe certain social norms and standards, but the number of members tends to be smaller, and only rarely exceeds five or six. The objective is to provide recognition to each other and exchange information of mutual interest.

## **OTHER TYPES OF GROUPS**

Other groups can also be identified as per the below mentioned categories:

- **Small Groups** - Small groups have only a few members. As a result, face-to-face interaction and communication between them is possible.
- **Large groups** - In large groups, the number of members is very high. The large size of group does not allow frequent personal interaction amongst the members.
- **Primary groups** - A primary group is a group which is small in size and at the same time it should also be made up of members who have similar values and loyalties and have a feeling of comradeship towards each other. Examples of primary groups are family and peer group.
- **Secondary group** - These are generally large in size. In such groups, the members share the same values and beliefs but because of the size of group, they do not interact with each other. Examples are Occupational associations and ethnic groups.
- **Coalition groups** - Coalitions are created by members for a specific purpose. Such groups do not have a formal structure. They are independent of formal organization structure and try to address issues which are important to members.
- **Membership groups** - These are the groups to which members are registered. The member of such groups may not have a personal relationship with each other.
- **Reference groups** - these are the groups to which an individual would like to belong or become a member of e.g. a prestigious club.

- **In groups and Out-groups** - In-groups are the groups that share the values prevalent in society at a certain point in time, whereas out-groups are those that do not share those values.

## **GROUP DECISION MAKING**

Group decision-making commonly known as collaborative decision-making is a situation faced when individuals collectively make a choice from the alternatives before them.

The decision is then no longer attributable to any individual group member as all the individuals and social group processes like social influence contribute to the decision outcome.

The decisions made by groups are mostly different from those made by individuals. For example, groups tend to make decisions that are more extreme than those made by individual members, as individuals tend to be biased.

### **Advantages of Group Decision Making**

Group decision making has two advantages over individual decision making.

#### **1. Synergy**

It is the idea that the whole is greater than the aggregate of its parts. When a group makes a decision collectively, its judgment can be powerful than that of any of its members. Through discussing, questioning, and collaborative approach, group members can identify more complete and robust solutions and recommendations.

#### **2. Sharing of information**

Group decisions take into account a wider scope of information as each group member may contribute distinct information and expertise. Sharing information increases understanding, clarifies issues, and facilitates movement towards a collective decision.

### **Disadvantages of Group Decision Making**

The major disadvantages of group decision making are as follows –

#### **1. Diffusion of Responsibility**

Group decision making results in distribution of responsibility that results in lack of accountability for outcomes. In this way, everyone is responsible for a decision, and no one really is. Moreover, group decisions can make it easier for members to refuse personal responsibilities and blame others for bad decisions.

#### **2. Lower Efficiency**

Group decisions can sometimes be less efficient than individual decisions. It takes additional time because there is a need of active participation, discussion, and coordination among group members. Without good facilitation and structure, meetings can get eliminated in trivial details that may matter a lot to one person but not to the others.

### **3. Groupthink**

One of the biggest disadvantage of effective group decision making is groupthink. It is a psychological phenomenon that occurs within a group of people in which the wish for harmony or conformity results in an illogical or dysfunctional decision-making outcome.

By refraining themselves from outside influences and actively suppressing opposing viewpoints in the interest of minimizing conflict, group members reach a consensus decision without critical evaluation of substitute viewpoints.

Groupthink sometimes produces dehumanizing actions against the out-group.

## **STAGES OF GROUP DEVELOPMENT**

Groups are a common arrangement in today's business environments. Any manager who works with or supervises groups should be familiar with how they develop over time. Perhaps the best-known scheme for a group development was advanced by **Bruce Tuckman** in 1965. Initially, Tuckman identified four stages of group development, which included the stages of **forming**, **storming**, **norming** and **performing**. A fifth stage was later added by Tuckman about ten years later, which is called **adjourning**. It is believed that these stages are universal to all teams despite the group's members, purpose, goal, culture, location, demographics and so on.

### **Forming**

The first stage of group development is known as the **forming stage**. The forming stage represents a time where the group is just starting to come together and is characterized with anxiety and uncertainty. Members are cautious with their behavior, which is driven by the desire to be accepted by all members of the group. Conflict, controversy and personal opinions are avoided even though members are beginning to form impressions of each other and gain an understanding of what the group will do together. Some believe this cautious behavior prevents the group from getting any real work done. However, the focus for group members during the forming stage is to become familiar with each other and their purpose, not on work.

Typical outcomes of the forming stage include things like gaining an understanding of the group's purpose, determining how the team will be organized and who will be responsible for what, discussion of major milestones or phases of the group's goal (including a rough project schedule), outlining general group rules (including when they will meet) and discovery of what resources will be available for the group to use.

### **Storming**

The second stage of group development is known as the **storming stage**. The storming stage is where conflict and competition are at its greatest. This is because now that group members have an understanding of the task and a general feel for who they are as a group and who group members are, they feel confident and begin to address some of the more important issues surrounding the group. Such issues can relate to things like the group's tasks, individual roles and responsibilities or even with the group members themselves.

The storming stage is where the more dominant of the group members emerge, while other, less confrontational members stay in the comfort and security of suppressing their feelings just as they did in the previous stage. Even though these individuals stay quiet, issues may still exist. All members have an increased need for clarification. Questions surrounding leadership, authority, rules, responsibilities, structure, evaluation criteria and reward systems tend to arise during the storming stage. Such questions must be answered so that the group can move on to the next stage. Consequently, not all groups are able to move past the storming stage.

### **Norming**

Once a group receives the clarity that it so desperately needs, it can move on to the third stage of group development, known as the **norming** stage. The norming stage is the time where the group becomes a cohesive unit. Morale is high as group members actively acknowledge the talents, skills and experience that each member brings to the group. A sense of community is established and the group remains focused on the group's purpose and goal. Members are flexible, interdependent and trust each other. Leadership is shared, and members are willing to adapt to the needs of the group. Information flows seamlessly and is uninhibited due to the sense of security members feel in the norming stage.

### **Performing**

Once a group is clear about its needs, it can move forward to the third stage of group development, the norming stage. This is the time where the group becomes really united.

At this stage, the morale is high as group members actively acknowledge the talents, skills and experience that each member brings to the group. A sense of belongingness is established and the group remains focused on the group's purpose and goal.

Members are flexible, interdependent, and trust each other. Leadership is distributive and members are willing to adapt according to the needs of the group.

### **Adjourning**

This stage of a group can be confusing and is usually reached when the task is successfully completed. At this stage, the project is coming to an end and the team members are moving off in different directions.

This stage looks at the team from the perspective of the well-being of the team instead of the perspective of handling a team through the original four stages of team growth.

## **GROUP DECISION MAKING PROCESS**

Decision making in a group involves two phenomena - group polarization and group think.

Group polarization refers to shift of employee attitude towards a more extreme and reinforced state after a discussion with a group, than was the state before the discussion.

Groupthink, on the other hand, happens when the group decided upon a course of action which is accepted by a majority of its members, even before actually discovering all the alternative solutions to the problem.

## **Process**

A general decision making process can be divided into following steps:

### **a) Define the problem**

The process must, as a minimum, identify root causes, limiting assumptions, systems and organizational boundaries and interfaces, and any stakeholders issues. The problem however must be concise and unambiguous written material agreed by all decision makers and stakeholders.

### **b) Determine the requirements**

Requirements are conditions that any acceptable solution to the problem must meet. Requirements spell out what the solutions to the problem must do. These requirements are the constraints describing the set of the feasible (admissible) solutions of the decision problem.

### **c) Establish Goals**

Goals are broad statements of intent and desires. In this step, goals are being set in accordance with the problem and requirements.

### **d) Identify alternatives**

Alternatives offer different approaches for changing the initial condition into desired condition. All alternatives are checked one by one whether they meet the requirements or not. The infeasible ones must be deleted (screened out) from further consideration and then explicit list of alternatives are to be obtained.

### **e) Define criteria**

Decision criteria, which will discriminate among alternatives, must be based on the goals. It is necessary to define discriminating criteria as objective measures of the goals to measure how well each alternative achieves goals. Criteria should be:

- able to discriminate among the alternatives and to support the comparison of performance of alternatives
- compete to include all goals
- operational and meaningful
- non-redundant
- few in number

### **f) Select a decision making tool**

There are several tools for solving a decision problem. The selection of a decision making tool is not an easy task and depends on the concrete decision problem, as well as on the objectives of decision makers. Such decision making tools involve brain storming, delphi technique, nominal group thinking etc.

### **g) Evaluate alternatives against criteria**

Depending upon the criterion, the assessment may be objective (factual), or can be subjective (judgmental). After the evaluations, the selected decision making tool can be applied to rank the alternatives or to choose a subset of most promising alternatives.

#### **h) Validate solutions against problem statement**

The alternatives selected by the applied decision making tools have always to be validated against the requirements and goals of decision problem.

### **GROUP NORMS**

Group norms are the informal guidelines of behavior and a code of conduct that provides some order and conformity to group activities and operations. These rules are expected to be followed by all the group members. These norms and rules usually develop gradually and informally as group members learn as to what behaviors are necessary for the group to function effectively. These norms may include a code of dress for meetings or being on time for the meetings and behaving in a predictable manner both within and outside the group meetings.

#### **Advantage of Group Norms**

1. Norms enable the group to accomplish its goals.
2. Norms help the group to control and regulate the behavior of members without external influence.
3. Norms enable a group to survive in the face of threat and competition from other groups.
4. Norms help the group and its members to express group's value and give the group a unique identity of its own.
5. Norms of the group enhance the predictability of group members in terms of performance, appearance etc.

#### **Types of norms**

##### **1. Performance norms**

- I. How hard the members should work?
- II. How to do the job?
- III. Expected level of output
- IV. Appropriate level of tardiness

##### **2. Appearance norms**

- I. Appropriate dress when together
- II. Loyalty to the work group
- III. When to look busy
- IV. When its ok to goof off

##### **3. Social Interaction norms**

- I. Who can we hang out and socialize with on-the job?
- II. Who can we be friends with, both on and off the job?

III. Regulate social interactions inside and outside the group

#### **4. Resource allocation norms**

- I. Who should be assigned to each job?
- II. Who should be next to receive new tools or equipment?
- III. How much of a pay increase should each member get?
- IV. Who should receive the next promotion?

### **GROUP COHESIVENESS**

**Group cohesiveness** can be defined as a bond that pulls people toward membership in a particular group and resists separation from that group. In addition, group cohesion generally has three characteristics. They include the following:

#### **Interpersonal Attraction**

This means group members have a preference or want to interact with each other. Group members enjoy this interaction and seek it out.

#### **Group Pride**

This involves group members viewing their membership to a specific group with fondness. They feel proud of their group membership, and staying in the group feels valuable.

#### **Commitment to the Work of the Group**

Group members value the work of the group and believe in its goals. They are willing to work together to complete tasks which are aligned with these group goals, even through adversity.

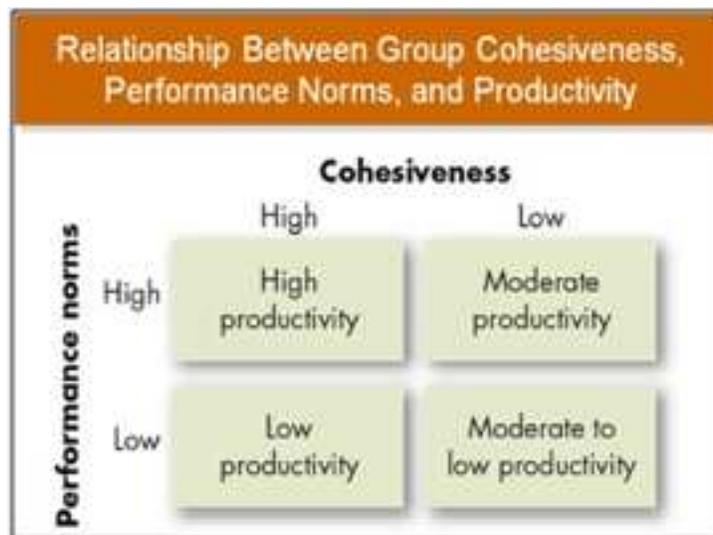
### **Factor Affecting Group Cohesiveness**

1. **Degree of dependency on the group** - The more dependent a person is on a group for some result or effect, the greater will be group's attractiveness and consequently greater is its cohesiveness.
2. **Size** - Size has an inverse relationship with group cohesiveness. Larger a group becomes, the lesser opportunity exists for interaction among the members.
3. **Homogeneity and stable membership** - Group whose members have different interests and backgrounds are often less effective in promoting their interests.
4. **Location of group** - It affects group cohesion in two ways: First, if the group members are located close to each other, they interact themselves frequently and freely. Secondly, if the group is isolated from others, cohesion is high.
5. **Group status** - A group with high status with success stories is more attractive to its members. Therefore, they show solidarity among themselves and group cohesion ends to be high.
6. **Group leadership** - The qualities of group leader determine the extent to which the group members bind themselves with the group.
7. **Outside pressure** - Members of a group tend to herd together to face challenges from outside pressures. When there are pressure from outside, group members tend to minimize their personal differences in order to fight the common enemy.

8. **Competition** - Type of competition also affects the group cohesiveness. There are intra group competition i.e. among the group members and inter group competition, i.e., competition as a whole.

### **Group Cohesiveness and Productivity**

Productivity comes from increases in employee production, measured as units per hour. Productivity may also lead to elevated levels of innovation. Efficiency in technology, labor and management lead to higher productivity rates. Group productivity methods deal with labor efficiency and motivating employees to work harder. Managers may attempt to influence the group by creating high-productivity group norms. Group productivity and cohesiveness may be gained by the team sharing success and status.



### **Group Decision-Making Techniques**

In order to eliminate group think and group shift from a group, we can use four different techniques that will help us make a collaborative decision that is best for the group. These techniques are –

- **Brainstorming**
- **Nominal group thinking**
- **Didactic technique**
- **Delphi technique**

## **Brainstorming**

This technique includes a group of people, mostly between five and ten in number, sitting around a table, producing ideas in the form of free association. The main focus is on generation of ideas and not on evaluation of these ideas.

If more ideas can be originated, then it is likely that there will be a unique and creative idea among them. All these ideas are written on the blackboard with a piece of chalk so that all the team members can see every idea and try to improvise these ideas.

Brainstorming technique is very effective when the problem is comparatively precise and can be simply defined. A complex problem can be divided into parts and each part can be dealt with separately at a time.

## **Nominal Group Thinking**

This technique is similar to brainstorming except that this approach is more structured. It motivates individual creativity. Members form the group for namesake and operate independently, originate ideas for solving the problem on their own, in silence and in writing. Members do not communicate well with each other so that strong personality domination is evaded.

The group coordinator either collects the written ideas or writes them on a large blackboard so that each member of the group can see what the ideas are. These ideas are further discussed one by one in turn and each participant is motivated to comment on these ideas in order to clarify and improve them. After all these ideas have been discussed, they are evaluated for their merits and drawbacks and each actively participating member is needed to vote on each idea and allot it a rank on the basis of priority of each alternative solution.

The idea with the highest cumulative ranking is selected as the final solution to the problem.

## **Didactic Interaction**

This technique is applicable only in certain situations, but is an excellent method when a situation actually demands it. The type of problem should be such that it generates output in the form of yes or no. Say for example, a decision is to be made whether to buy or not to buy a product, to merge or not to merge, to expand or not to expand and so on. These types of decision requires an extensive and exhaustive discussion and investigation since a wrong decision can have serious consequences.

There are many advantages as well as disadvantages of this type of situation. The group that makes the decision is divided into two sub-groups, one in favor of the “go” decision and the opposing in favor of “no go” decision.

The first group enlists all the “pros” of the problem solution and the second group lists all the “cons”. These groups meet and discuss their discoveries and their reasons.

After tiring discussions, the groups switch sides and try to find weaknesses in their own original standpoints. This interchange of ideas and understanding of various viewpoints results in mutual acceptance of the facts as they exist so that a solution can be put together around these facts and ultimately a final decision is reached.

## **Delphi Technique**

This technique is the improvised version of the nominal group technique, except that it involves obtaining the opinions of experts physically distant from each other and unknown to each other.

This isolates group members from the undue influence of others. Basically, the types of problems sorted by this technique are not specific in nature or related to a particular situation at a given time.

For example, the technique could be used to explain the problems that could be created in the event of a war. The Delphi technique includes the following steps –

- The problem is first identified and a panel of experts are selected. These experts are asked to provide potential solutions through a series of thoughtfully designed questionnaires.
- Each expert concludes and returns the initial questionnaire.
- The results of the questionnaire are composed at a central location and the central coordinator prepares a second set of questionnaire based on the previous answers.
- Each member receives a copy of the results accompanied by the second questionnaire.
- Members are required to review the results and respond to the second questionnaire. The results typically trigger new solutions or motivate changes in the original ideas.
- The process is repeated until a general agreement is obtained.

## **TEAM**

A group of people with different skills and different tasks, who work together on a common project, service, or goal, with a meshing of functions and mutual support. A group does not necessarily constitute a team. Teams normally have members with complementary skills and generate synergy through a coordinated effort which allows each member to maximize their strengths and minimize their weaknesses.

### **Characteristics of a team**

1. The purpose, mission, or main objective is known and understood by all team members.
2. Communication in the team is open, direct and honest.
3. Sufficient leadership is available in the team.
4. There is regular review of how well the team is performing toward achieving its purpose.
5. There is an agreed organizational structure to the team.
6. Adequate resources are available to permit the team to perform its function, including skills, tools, facilities, and budgets.
7. Synergy exists, so the team performs in a way that is greater than the sum of its parts.

## Groups Vs. Teams

Work Groups	Teams
Individual accountability	Individual and mutual accountability
Come together to share information and perspectives	Frequently come together for discussion, decision making, problem solving, and planning.
Focus on individual goals	Focus on team goals
Members are independent	Members are interdependent
May not share a common goal	Share a common goal or cause
Members may not know each other	Members are aware of each others weaknesses
Define individual roles, responsibilities, and tasks	Define individual roles, responsibilities, and tasks to help team do its work; often share and rotate them
Concern with one's own outcome and challenges	Concern with outcomes of everyone and challenges the team faces
Purpose, goals, approach to work shaped by manager	Purpose, goals, approach to work shaped by team leader with team members

## Types of Teams

Teams can be formed anywhere, anytime whenever the task is little difficult and complicated. Let us understand the various types of teams in detail.

1. **Permanent teams-** These teams perform on a permanent basis and are not dissolved once the task is accomplished. Work or no work, the human resources team, operation team, administration team always function effectively through out the year and hence are permanent teams.
2. **Temporary teams** - Unlike permanent teams, temporary teams loose their importance, once the task is accomplished. Such teams are usually formed for a shorter duration either to assist the permanent team or work when the members of the permanent team are busy in some other project.  
When organizations have excess of work, they generally form temporary teams which work in association with the members of the permanent team for the accomplishment of the task within the stipulated time.

- 3 Task Force** - Such teams are formed for a special purpose of working on any specific project or finding a solution to a very critical problem.  
The government generally appoints special teams to investigate critical issues like bomb blasts, terrorist attacks and so on. The task force explores all the possible reasons which led to a severe problem and tries to resolve it within a given deadline.
- 4 Committee** - Committees are generally formed to work on a particular assignment either permanently or on a temporary basis. Individuals with common interests, more or less from the same background, attitude come together on a common platform to form a committee and work on any matter.  
To organize any cultural event, organizations generally make committees to raise funds, invite celebrities and all the major tasks involved to successfully organize any event. The committee members work together, design strategies to successfully accomplish the task. In educational institutes, various committees are formed where students with a common interest join hands to organize cultural events and various other activities required for the all round development of students.
- 5 Organization/Work Force** - Such groups are formed in organizations where team members work together under the expert guidance of leader. A leader or a supervisor is generally appointed among the members itself and he along with his team works hard to achieve a common goal. The leader all through must stand by his team and extract the best out of each team member. He must not underestimate any of his team members and take his team along to avoid conflicts.
- 7 Self Managed Teams** - Self Managed Teams consist of individuals who work together again for a common purpose but without the supervision of any leader. Here as the name suggests every individual is accountable for his individual performance. The team members of self managed teams must respect each other and should never loose focus on their target. No leader is appointed and the team members have to take their own responsibility. Individuals take the initiative on their own and are their own guides and mentors.
- 9 Cross Functional Team** -In most business settings, permanent team members are going to collaborate with other departments to tackle certain events for the company – such a new product launch. In these situations communication between internal departments is crucial in order to address the project goals. Individuals from different areas come and work together for a common objective to form a cross functional team. In such teams, people from different areas, interests and likings join hands to come out with a unique idea to successfully complete a task.
- 10 Virtual Teams** - Virtual teams consist of individuals who are separated by distances and connected through computer. A virtual team can be any type of team that communicates digitally rather than in person. Easier communication tools allow managers to build teams

based on strengths and weaknesses rather than geography. It's important for students to master virtual skills early on in their academic career, as conference calls and WebEx presentations have become ubiquitous in the workplace.

### **When it's best to use teams**

Teams should never be created for the sake of having a "team". They can however be extremely effective when they are designed to meet the needs of a specific performance challenge. And, they will add the most value when the combined membership is better than the most effective individual.

### **Teams are most effective when**

- The task is complex requiring multiple skills and knowledge.
- There is too much or not enough information is incomplete.
- The task, problem or solution affects many people or requires input from other departments
- Creativity and new ideas are needed;
- There are no clear answers and the path forward is unclear.
- More efficient use of personnel is required.
- Sufficient time is available for team training and development and for reaching decisions
- High commitment is desirable.
- Cooperation needed for team implementation is likely.
- When division and coordination of labour is needed for the work to be accomplished

### **Teams are least effective when**

- One person has greater expertise on the subject than other members
- All information required is available
- Task or purpose contained within one area
- The task is straightforward.
- The task is routine.
- Insufficient space, equipment and resources for a team
- Time constraints do not support team training, development and decision-making
- Employee turnover is high.
- Lack of support for teams because of culture, management or union relations
- Where work can be divided amongst a few people and the leader can integrate those parts.

## **Characteristics of Effective Teams**

The following 10 characteristics should present in successful teams. These teams work well together, achieve their goals and enjoy them in the process.

### **1. Clear Purpose.**

Members understand and are fully committed to the vision, mission, goals, and objectives of the team. Ineffective teams lack clarity of purpose, a plan and specific goals. Members wonder, wander and pull in different directions.

### **2. Open Communication.**

Effective teams pride themselves on open, participatory communication and vigorous discussions. Ineffective teams are marked by gossip, hidden agendas and guarded communication.

### **3. Constructive Conflict.**

On effective teams, there's disagreement, but members are comfortable with this and deal with it openly. There are very few signs of avoiding or suppressing conflict. Ineffective teams lack trust and are often undermined by personal disagreements and their inability to resolve conflict constructively.

### **4. Effective Problem Solving and Decision-making.**

Approaches to problem solving and decision making are well established in effective teams. Ineffective teams lack problem-solving strategies and are stymied by inefficient decision-making processes and low quality decisions.

### **5. Defined Roles, Responsibilities and Accountability.**

Roles, responsibilities, expectations and authorities are well defined, understood and accepted. Work is fairly distributed and skills are well represented with team members' abilities recognized and fully utilised. Team members are fully accountable for individual and collective team performance. Ineffective teams struggle with role conflict, unclear boundaries, confused expectations and poor accountability.

### **6. Strong Relationships.**

Effective teams work on building and maintaining internal relationships. Team members are supportive; trust one another and have a lot of fun together. Members also invest in developing relationships and building credibility with important stakeholders in other parts of the organization. Poor collaboration, low morale, cliques and silos characterize ineffective teams.

### **7. Systems and Procedures.**

Effective teams implement and support procedures to guide and regulate team functioning. Ineffective teams rarely invest in developing their team systems or improving work processes

### **8. Experimentation and Creativity.**

Well functioning teams encourage creativity and risk taking and experiment with different ways of doing things. Ineffective teams often are bureaucratic, low risk and rigid.

### **9. Measurement and Self-assessment.**

Effective teams have clear shared measures. They schedule time to regularly assess their progress and performance, identifying achievements and areas for improvement. Ineffective teams tend focus on individual measurement and rarely review their collective performance.

### **10. Shared Leadership.**

Effective teams share leadership roles depending upon the circumstances, needs of the group, and expertise of members. The formal leader co-ordinates the integration of effective team functions and models appropriate behaviour to help establish positive norms. Ineffective teams often have one person dominating.

### **Factors that define High Performance Teams**

A true high performance team is a rare thing. These are the teams that break boundaries, rescue organizations from the brink of disaster and deliver projects against seemingly impossible odds. And yet, while we have all seen (or at least heard) of these teams few of us have served on one, fewer still have experienced the privilege of leading one. The elusive pursuit of replicating the success of high performance teams continues to challenge organisations throughout the world.

### **The difference between an Effective Team and a High Performance Team is**

While high performance teams possess all the characteristics of the effective work team. There are four characteristics which set them apart:

- ✓ Higher levels of companionship
  
- ✓ Increased levels of interdependence
  
- ✓ Greater collective learning and adaptive capabilities
  
- ✓ Closer identification with team outcomes than other teams

**The factors working behind the high performance teams are described below:**

#### **1. Commitment to the Cause**

In high performance teams members are involved in both creating a clear and engaging direction and integrating their values and needs with group values and goals. This task significance engenders deep commitment and efficiently focuses the team's efforts on objectives. Subsequent success feeds intense pride, the WIIFM factor outweighing formal rewards.

2. **All for One and One for All**

The interpersonal and task interconnectedness so essential to the success of an “effective team” is hardwired into the high performance team. The strong sense of solidarity and mutual concern for each other’s well-being creates a highly supportive and trusting environment. This environment promotes personal growth and the risk taking that characterizes the extraordinary success of so many high performance teams

3. **Strong Identity**

Connected to the team’s mission by strong interpersonal commitments, the team’s purpose becomes more noble, performance goals more urgent, its identity more pervasive and its approach more powerful. Members vigilantly protect the team by minimizing internal politics.

4. **High Fun Factor**

High performance teams seem to have a better-developed sense of humour and more fun. Members forge close-knit relationships and maintain high levels of camaraderie.

5. **Fast Team Learning**

High-performance teams leverage the strong network of interpersonal relationships to facilitate team learning, accelerating their ability to learn from each other and collective experiences. This fosters the development of interchangeable skills, which in turn produces greater flexibility leading to higher levels of performance.

6. **Frequent Feedback**

Top management support ensures the teams survival within the organisation while positive feedback from management and customers fuels the team’s performance, reinforcing the team’s self-belief in future success.

7. **Protection from Politics**

One of the most interesting findings of the recent “Contagious Success” research is that in high-performing groups, the leader protects the team from the rest of the organisation by shielding them from company interference.

8. **Belief in the Impossible**

The most significant factor in high performance teams is that members, including the leader, believe that as a team they can accomplish the impossible. They respond rapidly, identifying and acting on opportunities. They understand and accept however, the direct consequences of their actions; success or failure will have a substantial impact on the organization. This “potency factor” has been found to be the strongest predictor of the high performance team.

**A Team effectiveness Model:**

**Work Design**

Effective teams need to work together and take collective responsibility to complete significant tasks. The work-design category includes:

- ✓ variables like freedom and autonomy,

- ✓ the opportunity to utilize different skills and talents,
- ✓ the ability to complete a whole and identifiable task or product,
- ✓ and working on a task or project that has a substantial impact on others.

The evidence indicates that these characteristics enhance member motivation and increase team effectiveness.

## **Composition**

### **1. Abilities of members:**

Teams require three different types of skills:

- ✓ Technical expertise
- ✓ Problem-solving and decision-making skills
- ✓ Good listening, feedback, conflict resolution, and other interpersonal skills

The right mix is crucial. It is not uncommon for one or more members to take responsibility to learn the skills in which the group is deficient, thereby allowing the team to reach its full potential.

### **2. Personality:**

Many of the dimensions identified in the Big Five personality model have shown to be relevant to team effectiveness.

Teams that rate higher in mean levels of extraversion, agreeableness, conscientiousness, and emotional stability tend to receive higher managerial ratings for team performance.

The variance in personality characteristics may be more important than the mean. A single team member who lacks a minimal level of, say, agreeableness can negatively affect the whole team's performance.

### **3. Allocating roles and diversity:**

Teams have different needs, and people should be selected for a team to ensure that there is diversity and that all various roles are filled.

Managers need to understand the individual strengths that each person can bring to a team, select members with their strengths in mind, and allocate work assignments accordingly.

**4. Size of teams:** The most effective teams are neither very small (under four or five) nor very large (over a dozen). Effective teams—managers should keep them in the range of 5–12 people.

- ✓ Very small teams are likely to lack for diversity of views.
- ✓ Large teams have difficulty getting much done.

**5. Member flexibility:** This is an obvious plus because it greatly improves its adaptability and makes it less reliant on any single member.

**6. Member preferences:** Not every employee is a team player. Given the option, many employees will select themselves out of team participation. High performing teams are likely to be composed of people who prefer working as part of a group.

### Context

The contextual factors that appear to be most significantly are related to team performance:

**1. Adequate resources:** All work teams rely on resources outside the group to sustain it. A scarcity of resources directly reduces the ability of the team to perform its job effectively. As one set of researchers concluded, “perhaps one of the most important characteristics of an effective work group is the support the group receives from the organization.”

**2. Leadership and structure:** Agreeing on the specifics of work and how they fit together to integrate individual skills requires team leadership and structure. Leadership is not always needed. Self-managed work teams often perform better than teams with formally appointed leaders. On traditionally managed teams, we find that two factors seem influence team performance:

I. The leader’s expectations and his or her mood.

II. Leaders who expect good things from their team are more likely to get them!

**2. Climate of Trust:**

✓ Members of effective teams trust each other and exhibit trust in their leaders.

✓ When members trust each other they are more willing to take risks.

✓ When members trust their leadership they are more willing to commit to their leader’s goals and decisions.

**3. Performance evaluation and reward systems:**

How do you get team members to be both individually and jointly accountable? The traditional, individually oriented evaluation and reward system must be modified to reflect team performance.

Individual performance evaluations, fixed hourly wages, individual incentives are not consistent with the development of high-performance teams.

Management should consider group-based appraisals, profit sharing, gainsharing, small-group incentives, and other system modifications that will reinforce team effort and commitment

## **Process**

1. **A Common Purpose:** Effective teams have a common and meaningful purpose that provides direction, momentum, and commitment for members. This purpose is a vision. It is broader than specific goals.
  
2. **Specific goals:** Successful teams translate their common purpose into specific, measurable, and realistic performance goals. They energize the team. Specific goals facilitate clear communication and help teams maintain their focus on results. Team goals should be challenging.
  
3. **Team efficacy:** Effective teams have confidence in themselves and believe they can succeed—this is team efficacy. Success breeds success. Management can increase team efficacy by helping the team to achieve small successes and skill training.
  - I. Small successes build team confidence.
  - II. The greater the abilities of team members, the greater the likelihood that the team will develop confidence and the capability to deliver that confidence.
  
4. **Conflict levels:** Conflict on a team is not necessarily bad. Teams that are completely void of conflict are likely to become apathetic and stagnant. Relationship conflicts—those based on interpersonal incompatibilities, tension, and animosity toward others—are almost always dysfunctional. On teams performing non-routine activities, disagreements among members about task content (called task conflicts) is not detrimental. It is often beneficial because it lessens the likelihood of groupthink.

## **2) Social loafing:**

Individuals can hide inside a group. Effective teams undermine this tendency by holding themselves accountable at both the individual and team level.

## **Contemporary Issues in Managing Teams**

### **Teams and quality management**

The issue of “improving quality” has garnered increased attention from management in recent years. This is to ensure Global competitiveness after the international markets opened up for India post liberalization. In this article we want to demonstrate the important role that teams play in quality management (QM) programs.

The essence of QM is process improvement, and employee involvement is the linchpin of process improvement. In other words, QM requires management to give employees the encouragement to share ideas and act on what they suggest.

None of the various (quality management) processes and techniques will catch on and be applied except in work teams. All such techniques and processes require high levels of communication and contact, response, adaptation, coordination and sequencing. They require the environment that can be supplied only by superior work teams.

Teams provide the natural vehicle for employees to share ideas and to implement improvements. Gil Mosard, a QM specialist at Boeing states that, When a measurement system tells you your process is out of control, team work is needed for structured problem solving. Not everyone needs to know how to do all kinds of fancy control charts for performance tracking, but everybody does need to know where their process stands so they can judge if it is improving.

Examples from Ford Motor Co. and Amana Refrigeration, Inc., illustrate how teams are being used in QM programs.

Ford began its QM efforts with teams as the primary organizing mechanism. "Because this business is so complex, you can't make an impact on it without a team approach" noted one Ford manager. In designing its quality problem-solving teams, Ford's management identified five goals.

The teams should be:

1. Be small enough to be efficient and effective.
2. Be properly trained in the skills their members will need;
3. Be allocated enough time to work on the problems they plan to address;
4. Be given the authority to resolve the problems and implement corrective action;
5. Each has a designated "champion" whose job it is to help the team get around roadblocks that arise.

At Amana, cross-functional task forces made up of people from different levels within company used to deal with quality problems that cut across departmental lines. The various task forces each have a unique area of problem-solving responsibility. For instance, one handles in-plant products, another deals with items that arise outside the production facility, and still another focuses its attention specifically on supplier problems. Amana claims that the use of these teams has improved vertical and horizontal communication within the company and substantially reduced both the number of units that don't meet company specifications and the number of service problems in the field

### **Workforce Diversity**

Workforce diversity goes beyond a company's legal obligations to comply with equal opportunities and non-discrimination



Figure: Energy CQ<sup>2</sup> enables development managers to easily discover, analyze and act on coding violations.

legislation. Companies that employ diverse workforces encourage different perspectives and promote learning from alternative perspectives. A diverse workforce should reflect the society in which the company operates in terms of race, gender, physical and mental ability, ethnicity, age, class, spiritual practice and sexual orientation. Employing a diverse workforce requires a company to create a culture that respects conflicting opinions and promotes the dignity of each member of the workforce.

### **Advantages**

In a study conducted by researchers from the University of Illinois in 2009, both racial and gender diversity were found to contribute positively to sales, customers and profits. Racial diversity can also positively influence market share, although the impact of gender on market share was not significant in the study. In addition, companies often can increase their creativity by encouraging diverse opinions and perspectives. Company recruiters can also widen the talent pool if they recruit employees based on relevant qualifications and experience, rather than limiting their search on race, gender, age or other grounds that are not central to the role.

### **Disadvantages**

Although employing a diverse workforce has many advantages, it comes with some disadvantages as well. A company that recruits and employs a diverse workforce must create a culture that promotes dignity and respect to avoid tension between employees. In addition, communication may be adversely affected if employees' first language is not English. Existing employees may leave the organization if their personal prejudices prevent them from working with colleagues from a different background. As another disadvantage, the investigation of employee complaints regarding negative attitudes and harassment can take up a considerable amount of management time, whether or not they are upheld.

### **Managing Diversity**

The key to employing a diverse workforce is to train and support managers within the organization. Managers must understand the need to support individuals within the team, balancing conflicting needs and opinions. Each team member must have the opportunity to be heard and feel that their opinions are respected. Managers also need to understand and deal constructively with their own biases and prejudices. By offering opportunities to all employees based on their performance, a company can increase its productivity and creativity.

### **Team work and Team Building in an Organization**

A team building success is when your team can accomplish something much bigger and work more effectively than a group of the same individuals working on their own. You have a strong synergy of individual contributions. But there are two critical factors in building a high performance team.

The first factor in team effectiveness is the diversity of skills and personalities. When people use their strengths in full, but can compensate for each other's weaknesses. When different personality types balance and complement each other.

The other critical element of team work success is that all the team efforts are directed towards the same clear goals, the team goals. This relies heavily on good communication in the team and the harmony in member relationships.

In real life, team work success rarely happens by itself, without focused team building efforts and activities. There is simply too much space for problems. For example, different personalities, instead of complementing and balancing each other, may build up conflicts. Or even worse, some people with similar personalities may start fighting for authority and dominance in certain areas of expertise. Even if the team goals are clear and accepted by everyone, there may be no team commitment to the group goals or no consensus on the means of achieving those goals: individuals in the team just follow their personal opinions and move in conflicting directions. There may be a lack of trust and openness that blocks the critical communication and leads to loss of coordination in the individual efforts. And on and on. This is why every team needs a good leader who is able to deal with all such team work issues.

### **Benefits of Team Work and Team Building**

#### **1. To the organization**

- Increased productivity and quality
- Increased employee morale
- Reduced overheads

#### **2. To individuals**

- Work becomes less stressful
- Responsibility is shared
- Greater feelings of self-worth
- Rewards and recognition are shared

### **DEFINITION OF CONFLICT MANAGEMENT**

Conflict management is the practice of being able to identify and handle conflicts sensibly, fairly, and efficiently. Since conflicts in a business are a natural part of the workplace, it is important that there are people who understand conflicts and know how to resolve them. This is important in today's market more than ever. Everyone is striving to show how valuable they are to the company they work for and at times, this can lead to disputes with other members of the team.

### **Features of Conflict:**

#### **From the organisational point of view following are the broad features of conflict:**

1. Conflict occurs when individuals are not able to choose among the available alternative courses of action.
2. Conflict between two individuals implies that they have conflicting perceptions, values and goals.
3. Conflict is a dynamic process as it indicates a series of events. Each conflict is made up of a series of interlocking conflict episodes.
4. Conflict must be perceived by the parties to it. If no one is aware of a conflict, then it is generally agreed that no conflict exists.

## **Functional and Dysfunctional Conflict**

Conflict has both positive and negative effects. It can be positive when it encourages creativity, new look at old conditions, the clarifications of points of view, and the development of human capabilities to handle interpersonal differences.

**Functional Conflicts:** Intergroup conflict that enhances organizational performance is called functional conflict. Important organizational consequences of functional conflict are as follows:

### **1. Release of Tension:**

Conflict when expressed can clear the air and reduce the tension which might otherwise remain suppressed. Suppression of tension can lead to imaginative distortion of truth, sense of frustration and tension, high mental exaggerations and biased opinions resulting in fear and distrust. When members express themselves, they get some psychological satisfaction. This also leads to reduction of stress among the involved members.

### **2. Analytical Thinking:**

When a group is faced with a conflict, the members display analytical thinking in identifying various alternatives. In absence of conflict, they might not have been creative or even might have been lethargic. The conflicts may induce challenge to such views, opinions, rules, policies, goals and plans which would require a critical analysis in order to justify these as they are or make such changes that may be required.

### **3. Group Cohesiveness:**

Inter group conflict brings about closeness and solidarity among the group members. It develops group loyalty and greater sense of group identity in order to compete with the outsiders. This increases the degree of group cohesiveness which can be utilized by the management for the attainment of organisational goals in an effective manner. As cohesiveness increases, differences are forgotten.

### **4. Competition:**

Conflicts promote competition and hence it results in increased efforts. Some persons are highly motivated by conflict and severe competition. Such conflict and competition, thus, lead to high level of effort and output.

### **5. Challenge:**

Conflicts test the abilities and capacities of the individuals and groups. It creates challenges for them for which they have to be dynamic and creative. If they are able to overcome the challenge, it will lead to search for alternatives to existing patterns which leads to organisational change and development.

### **6. Stimulation for Change:**

Sometimes, conflict stimulates change among the people. When they are faced with a conflict, they might change their attitudes and be ready to change themselves to meet the requirements of the situation.

### **7. Identification of Weaknesses:**

When a conflict arises, it may help in identifying the weaknesses in the system. Once the management comes to know about the weaknesses, it can always take the steps to remove them.

### **8. Awareness:**

Conflict creates awareness of what problems exist, who is involved and how to solve the problem. Taking cue from this, management can take the necessary action.

### **9. High Quality Decisions:**

When conflicting, persons express their opposing views and perspectives, high quality decisions result. The people share their information and check each other reasoning to develop new decisions.

### **10. Enjoyment:**

Conflict adds to the fun of working with others when not taken seriously. Many people find conflict enjoyable to competitive sports, games, movies, plays and books.

**Dysfunctional Conflicts:** Intergroup conflict that leads to the decline of organizational performance is called dysfunctional conflict. Important organizational consequences of dysfunctional conflict are as follows:

#### **1. High Employee Turnover:**

In case of intra-individual and inter-individual conflicts particularly, some dynamic personnel may leave the organisation, if they fail to resolve the conflict in their favour. In this case, organisation will be the sufferer in the long run due to the loss of key people.

#### **2. Tensions:**

Sometimes, conflict can cause high level of tensions among the individuals and groups and a stage may come when it becomes difficult for the management to resolve the conflicts. This will result in anxiety, frustration, uncertainty and hostility among the members.

#### **3. Dissatisfaction:**

Conflict will result in discontentment to the losing party, who will wait for an opportunity to settle the score with the winning party. All this tussle will result in less concentration on the job and as a result, the productivity will suffer.

#### **4. Climate of Distrust:**

Conflict often creates a climate of distrust and suspicion among the members of the group as well the organisation. The degree of cohesiveness will be less as the discords will be more. The concerned people will have negative feelings towards each other and try to avoid interaction with each other.

#### **5. Personal Vs. Organisational Goals:**

Conflicts may distract the attention of the members of the organisation from organisational goals. They may waste their time and energy in finding ways and tactics to come out as winners in the conflict. Personal victory becomes more important than the organisational goals.

#### **6. Conflict as a Cost:**

Conflict is not necessarily a cost for the individuals. But the conflicts may weaken the organisation as a whole, if the management is not able to handle them properly. If the management tries to suppress conflicts, they may acquire gigantic proportions in the later stages. And if the management does not interfere in the earlier stages, unnecessary troubles may be invited at the later stages. It is a cost to the organisation, because resignations of personnel

weaken the organisation, feeling of distrust among members have negative impact on productivity and so on.

### **Stages of Conflict**

There are five stages in a conflict. These are latent conflict, perceived conflict, felt conflict, manifest conflict, and conflict aftermath.

**(i) Latent Conflict:** The first stage of conflict is latent conflict in which the factors that could become a cause of potential conflict exist. These are the dry for autonomy, divergence of goals, role conflict and the competition for scarce resources.

**(ii) Perceived conflict:** Sometimes a conflict arises even if no latent conflict is present. In this stage one party perceived the others to be likely to thwart or frustrate his or her goals. The case, in which conflict is perceived when no latent conflict arises, is used to result from the parties misunderstanding each other's true position. Such conflict can be resolved by improving communication between the groups.

**(iii) Felt Conflict:** Felt conflict is the stage when the conflict is not only perceived but actually felt and cognized. For example, A may be aware that he is in serious argument with B over some policy. But this may not make A tense or anxious and it may have no effect, whatsoever, on A's affection towards B. The personalization of conflict is the mechanism which causes many people to be concerned with dysfunctions of conflict. In other words, it makes them feel the conflict. There are two reasons for the personalization of the conflict:

(i) the inconsistent demands on efficient organization and individual growth which is caused within the individual. Anxieties may also result from crisis or from extra-organizational pressures. Individuals need to vent these anxieties in order to maintain equilibrium.

(ii) Conflict becomes personalized when the whole personality of the individual is involved in the relationship. Hostile feelings are most common in the intimate relations that characterize various institutions and residential colleges.

**(iv) Manifest Conflict:** Manifest conflict is the stage when the two parties engage in behavior which evokes response from each other. The most obvious of these responses are open aggression, apathy, sabotage, withdrawal and perfect obedience to rules. Except for prison riots, political revolutions and extreme labor unrest, violence as a form of manifest conflict is rare. The motives towards violence may remain they tend to be expressed in less violent forms.

**(v) Conflict Aftermath:** The aftermath of a conflict may have positive or negative repercussion for the organization depending upon the how conflict is resolved. If the conflict is genuinely resolved to the satisfaction of all participants, the basis for more cooperative relationship may be laid or the participants in their drive for a more ordered relationship may focus on latent conflicts not previously perceived and dealt with. On the other hand, if the conflict is merely suppressed but not resolved, the latent conditions of conflict may be aggravated and explode in a more serious form until they are rectified. This conflict episode is called conflict aftermath.

## Sources of Conflict

Conflict is classified into the following four types:

- **Interpersonal conflict** refers to a conflict between two individuals. This occurs typically due to how people are different from one another. We have varied personalities which usually results to incompatible choices and opinions. Apparently, it is a natural occurrence which can eventually help in personal growth or developing your relationships with others. In addition, coming up with adjustments is necessary for managing this type of conflict. However, when interpersonal conflict gets too destructive, calling in a mediator would help so as to have it resolved.
- **Intrapersonal conflict** occurs within an individual. The experience takes place in the person's mind. Hence, it is a type of conflict that is psychological involving the individual's thoughts, values, principles and emotions. Interpersonal conflict may come in different scales, from the simpler mundane ones like deciding whether or not to go organic for lunch to ones that can affect major decisions such as choosing a career path. Furthermore, this type of conflict can be quite difficult to handle if you find it hard to decipher your inner struggles. It leads to restlessness and uneasiness, or can even cause depression. In such occasions, it would be best to seek a way to let go of the anxiety through communicating with other people. Eventually, when you find yourself out of the situation, you can become more empowered as a person. Thus, the experience evoked a positive change which will help you in your own personal growth.
- **Intragroup conflict** is a type of conflict that happens among individuals within a team. The incompatibilities and misunderstandings among these individuals lead to an intragroup conflict. It arises from interpersonal disagreements (e.g. team members have different personalities which may lead to tension) or differences in views and ideas (e.g. in a presentation, members of the team might find the notions presented by the one presiding to be erroneous due to their differences in opinion). Within a team, conflict can be helpful in coming up with decisions which will eventually allow them to reach their objectives as a team. However, if the degree of conflict disrupts harmony among the members, then some serious guidance from a different party will be needed for it to be settled.
- **Intergroup conflict** takes place when a misunderstanding arises among different teams within an organization. For instance, the sales department of an organization can come in conflict with the customer support department. This is due to the varied sets of goals and interests of these different groups. In addition, competition also contributes for intergroup conflict to arise. There are other factors which fuel this type of conflict. Some of these factors may include a rivalry in resources or the boundaries set by a group to others which establishes their own identity as a team.

## Conflict Management Styles

Conflicts happen. How an employee responds and resolves conflict will limit or enable that employee's success. Here are five conflict styles that a manager will follow according to Kenneth W. Thomas and Ralph H. Kilmann:

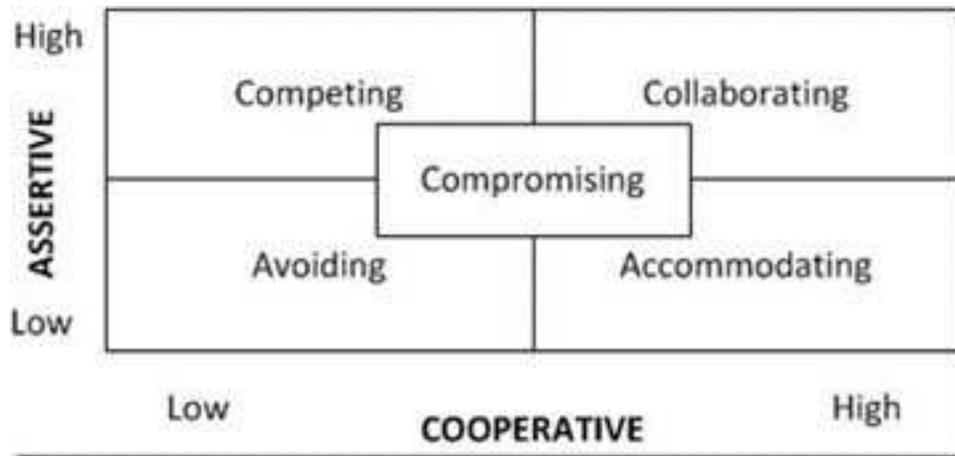
1. **Accommodating:** This style incorporates a manager who cooperates to a high degree. This may be at the manager's own expense and actually work against that manager's own goals, objectives, and desired outcomes. This is a strategy of accepting the other parties perspective above your own and accommodating their position on the conflict issue. This approach is effective when the other person is the expert or has a better solution.

2. **Avoiding:** An issue is one way a manager might attempt to resolve conflict. This is a strategy of not paying attention to the conflict and not taking any action to resolve it. This style is low on both assertiveness and cooperativeness. This type of conflict style does not help the other staff members reach their goals and does not help the manager who is avoiding the issue and cannot assertively pursue his or her own goals. However, this works well when the issue is trivial or when the manager has no chance of winning.

3. **Collaborating :** Managers become partners or pair up with each other to achieve both of their goals in this style. The solution is made by identifying the concerns of two parties and finding an alternative. Each party has to try to view the problem from another side and create a constructive solution. This is how managers break free of the win-lose paradigm and seek the win-win. This can be effective for complex scenarios where managers need to find a novel solution.

4. **Competing/Forcing:** This is the win-lose approach. This is a strategy of using formal authority or other power that you possess to satisfy your concerns without regards to the concerns of the party that you are in conflict with. A manager is acting in a very assertive way to achieve his or her own goals without seeking to cooperate with other employees, and it may be at the expense of those other employees. This approach may be appropriate for emergencies when time is of the essence.

5. **Compromising:** This is the lose-lose scenario where neither person nor manager really achieves what they want. The compromising style tries to satisfy both the parties. This requires a moderate level of assertiveness and cooperation. It may be appropriate for scenarios where you need a temporary solution or where both sides have equally important goals.



### Specific strategy options for reducing conflict

A brief description of different strategies is given below:

1. **Improving work conditions:** These include job security, empowerment, remuneration, supervision, status and interpersonal relations can be implemented to promote job satisfaction.
2. **Communication :** Open communication is essential in resolving conflict. It enables both parties to understand one another and to take joint responsibility in resolving the issue.
3. **Educational Programmes :** These should be used to improve the listening skills and assertiveness of staff.
4. **Altering work practices :** If work practices are contributing to conflict, they may need to be modified.
5. **Changing leadership styles :** The leadership style should be adapted to conditions and to organization personnel.
6. **Assigning tasks appropriately :** Job given to people should be designed to suit their strengths, interests, and talents.
7. **Establish goals :** Individuals, organizations and teams as a whole should all be working towards achievable yet challenging goals.

## **Individual Behavior**

Every individual has particular motive, a mission, perception and abilities. To understand human behavior in organizations, a careful study of all the factors that affect abilities. Behavior is what a person does in particular situations. The observable and measurable activity of human beings is known as overt behavior. It consists of activities such as decision making, physical processes like working on machines etc and activities which are non-observable and non measurable are known as covert behavior. It consists of feelings, perception etc and responsible for shaping and influencing overt behavior.

### **Assumptions about Human Behavior**

There are four basic assumptions about human beings which are foundation of OB. These are:

1. **Individual difference** - It may be reflected in individual's different types of behavior, conformity, rate of learning and development, interaction with people having different types of personality characteristics, productivity and any such type of behavior. People differ in:
  - the importance they attach to intrinsic rewards to the job
  - the type of compensation plan they want or desire
  - the style of supervision
  - their preferred schedules of work hour
  - their tolerance for stress and ambiguity
2. **The whole person** - when a person is employed in an organization, he is employed as a whole person, which means that he is a combination of certain skills and characteristics. The skills and characteristics can not be separated from each other.
3. **Causation of behavior** - human behavior can be understand easily if causes behind the behavior are analyzed and controlled by manipulating these causes. A person's behavior is caused by several factors both lying within himself and outside him, i.e., the total environment of which he is a part. Managers will be able to achieve organizational goals in a better way if they make deep analysis of various causes of human behavior.
4. **Human dignity** - Man is motivated by his social needs and all his efforts are directed to get satisfaction by maintaining relationship with others. This concept emphasizes that human beings should be treated differently from other factors of production because they are of high order in the universe.

## **DETERMINANTS OF HUMAN BEHAVIOR**

The various factors which determine human behavior are:

I. **Personal Factors** : They are categorized into biographical factors and learned characteristics.

a) **Biographical factors** : All human beings have certain characteristics which are genetic in nature and are inherited.

- **Age** : The relationship between age and performance is an important issue affecting performance psychologically younger people are expected to be more energetic, innovative, ambitious and risk taking whereas older people are supposed to be more conservative and have their own ways and less adaptable.

- **Gender** : there are certain characteristics like problem solving ability, analytical skill, leadership, learning ability.

- **Ability** : it means capacity or capability to perform a job.

a) Intellectual ability - abilities needed to perform mental activities are known as intellectual activities.

b) Physical abilities - it include stamina, strength, manual dexterity. Such abilities are required to perform semi skill jobs at lower level of organization.

b) **Learned Characteristics** - some of the learned characteristics are as follows:

- **Personality** - personality of an individual effects human behavior to some total of an individual's psychological system that determine his or her behavior in a situation.

- **Perception** - it means giving meaning to environment around us. It means view points by which person interprets a situation.

- **Attitude** - it expresses an individual's positive or negative feeling about some object. It can be defined as a way a person feels about a person, a place or a thing or an idea.

- **Values** - These are the basic convictions that give us sense of right or wrong, good or bad.

## 2. Environmental factors:

These are further divided into two categories:

a) **Economic factors** -

- **Employment level** - the employment opportunities available in a country have a strong influence on individual behavior.

- **Wage rates** - it is a very important factor that affects human behavior as wages satisfy human needs.

- **Economic outlook** - the organizations which are severely affected by economic factors are subjected to frequent lay off and retrenchments in such an economic stability.

- **Technological development** - technological change reduces skills required for performance of various activities of job.

**b) Socio cultural factors** - the social environment of an individual induces his relationship with family members, friends, colleagues, supervisors and subordinates. The behavior of others is also part of individual's social environment.

**c) Political factors** - Political environment of a country does not have a direct effect on individual behavior but it has a relationship with other factors.

**3. Organizational factors**- There are many organizational factors that affect human behavior at work. They can be explained as follows:

**a) Leadership** - it is the ability to build up confidence and zeal amongst people and to create an urge in them to be leader. The behavior of individual is influenced to a large extent by superiors or leaders.

**b) Reward system** - the organization establishes different types of reward system to compensate the employees. This reward system in turn regulates the behavior and performance of employees.

**c) Organization structure and design** - it helps in establishing authority levels and communication network in various departments.

**d) Physical environment** - the physical environment at work place emphasizes the working conditions, behavior of supervisors and relationship of technology and man power which are all very important in regulating human behavior in organization.

## **PERSONALITY**

It means how a person affects others and how he understands and views himself as well as pattern of inner and outer measurable traits and the person - situation interaction.

It includes external appearances and behavior, inner awareness of self as a permanent organizing force and particular pattern of organization of measurable traits, both inner and outer.

From above definitions, following are traits of personality:

- Personality represents distinctive traits.
- It is goal directed behavior.
- It is unique in nature.
- It becomes habitual to person.
- It results finally into action behavior in relation to person, organization or situation.

### **Determinants of Personality**

The following are the determinants of personality :

1. Biological factors
2. Family and social factors

3. Cultural factors
4. Situational factors

### **Biological factors**

These can be divided into three major categories:

- a) Heredity - it is the transmission of qualities from parents to children through a mechanism. Physical stature, facial attractiveness, temperament, muscle composition are examples of heredity factors that are genetically inherited from one's parents.
- b) Brain - Brain has a great impact on personality. The psychologists are unable to prove empirically the contribution of human brain in influencing personality. Father and children generally adopt the same type of brain stimulation. The differences are caused by environment. Electrical stimulation of brain (ESB) and split brain psychology (SBP) are the outcome of genetic transmission. They are helpful in moulding employee's behaviour. ESB is used for motivating employees towards better performances. Managers are trained to use SBP for mobilizing employees for proper behaviour.
- c) Physical features - An individual's external appearance is proved to be having a tremendous effect on personality. For example, the fact that a person is short or tall, fat or thin, handsome or ugly, black or whitish will undoubtedly influence the person's effect on others and in turn will affect the self-concept. A person's physical characteristics may be related to his approach to the social environment, to the expectancies of others, and to their reactions, to him. These in turn may have impact on personality development.

### **Family and Social Factors**

One of the most important determinate of a person's personality is his immediate family. The nature of such influence depends upon the following factors:

- Socio-Economic level of family
- Family size
- Birth order
- Race
- Religion
- Parent's educational level
- Geographic location

## Cultural factors

Each culture develops a person's behavior and modifies him to behave in a certified way; acceptable to the group. It is complex of beliefs, values, and techniques for dealing with the environment which are shared and transmitted by one generation to next. The culture group defines the range of experience and situations a person has faced in his life.

## Situational Factors

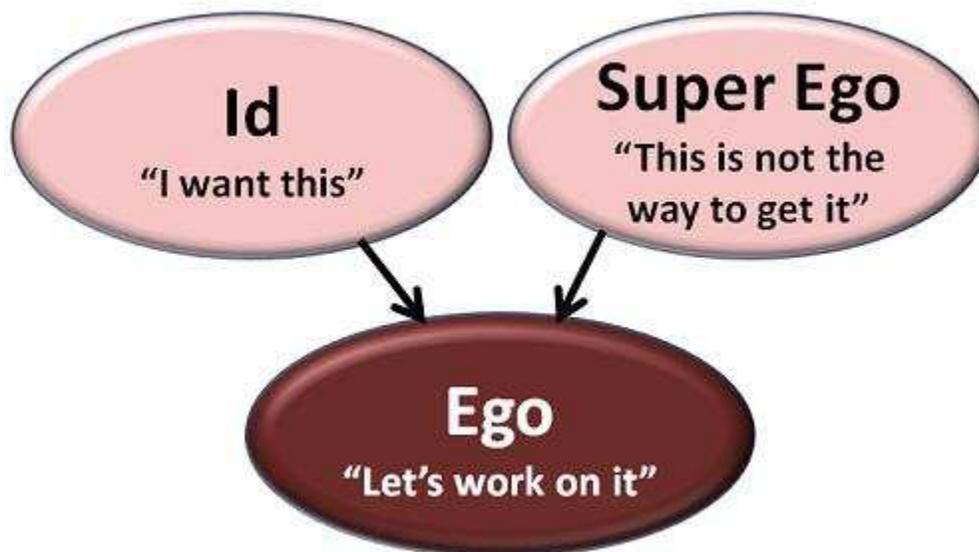
The effect of environment is very strong. It exercises constraints or provides push. In certain circumstances, the actions of individuals are determined by kind of situation they are placed.

## PERSONALITY THEORIES

### Psychoanalytic Theory

**Definition:** The **Psychoanalytic Theory** is the personality theory, which is based on the notion that an individual gets motivated more by unseen forces that are controlled by the conscious and the rational thought.

Sigmund Freud is closely related to the psychoanalytic theory. According to him, the human behavior is formed through an interaction between three components of the mind, i.e. Id, Ego and Super Ego.



1. **Id:** Id is the primitive part of the mind that seeks immediate gratification of biological or instinctual needs. The biological needs are the basic physical needs and while the instinctual needs are the natural or unlearned needs, such as hunger, thirst, sex, etc. Id is the unconscious

part of the mind; that act instantaneously without giving much thought to what is right and what is wrong.

**Example:** If your Id passed through a boy playing with a ball, the immediate urge to get that ball will drive you to snatch it by any means, this is irrational and may lead to the conflict between the boys. Thus, Id is the source of psychic energy, a force that is behind all the mental forces.

2. **Super-Ego:** The Super-Ego is related to the social or the moral values that an individual inculcates as he matures. It acts as an ethical constraint on behavior and helps an individual to develop his conscience. As the individual grows in the society, he learns the cultural values and the norms of the society which help him to differentiate between right and wrong.

**Example:** If the super-ego passed that boy playing with a ball, it would not snatch it, as it would know that snatching is bad and may lead to a quarrel. Thus, super ego act as a constraint on your behavior and guides you to follow the right path. But if the Id is stronger than super-ego, you will definitely snatch the ball by any means.

3. **Ego:** Ego is the logical and the conscious part of the mind which is associated with the reality principle. This means it balances the demands of Id and super-ego in the context of real life situations. Ego is conscious and hence keep a check on Id through a proper reasoning of an external environment.

**Example:** If you pass through the same boy playing with the ball, your ego will mediate the conflict between the Id and super-ego and will decide to buy a new ball for yourself. This may hurt you Id, but the ego would take this decision to reach to a compromise situation between the Id and super-ego by satisfying the desire of getting a ball without committing any unpleasant social behavior.

Hence, these are the fundamental structures of the mind, and there is always a conflict between these three. The efforts to attain the balance between these defines the way we behave in the external environment.

## **BIG FIVE MODEL/OCEAN THEORY**

Big Five Model gives five basic personality traits presented below.

- **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. Physical environment determines cultural development and to the extent, that culture in turn determines personality, a relationship between personality and environment becomes clear. Climate and topography determine to a great extent the physical and mental traits of a people. The people of mountains as well as deserts are usually bold, hard and powerful.

- **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.

- **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.

- **Neuroticism/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.

## **PERSONALITY AND OB**

Here we would discuss How the Big Five personality Traits affect OB Criteria.

### **Emotional stability**

WHY IS IT RELEVANT?

- Less negative thinking and fewer negative emotions
- Less hyper-vigilant

WHAT DOES IT AFFECT?

- Higher job & life satisfaction • Lower stress levels

### **Extroversion**

WHY IS IT RELEVANT?

- Better interpersonal skills
- Greater social dominance
- More emotionally expressive

WHAT DOES IT AFFECT?

- Higher performance
- Enhanced leadership
- Higher job & life satisfaction

## **Openness**

### WHY IS IT RELEVANT?

- Increased learning
- More creative
- More flexible & autonomous

### WHAT DOES IT AFFECT?

- Training performance
- Enhanced leadership
- More adaptable to change

## **Agreeableness**

### WHY IS IT RELEVANT?

- Better liked
- More compliant and Conforming

### WHAT DOES IT AFFECT?

- Higher performance\*
- Lower levels of deviant behavior

## **Conscientiousness**

### WHY IS IT RELEVANT?

- Greater effort & persistence • More drive and discipline
- Better organized & planning WHAT DOES IT AFFECT? • Higher performance
- Enhanced leadership
- Greater longevity

## **Other Personality Traits Relevant to OB**

The other personality traits are Machiavellianism, narcissism, self-monitoring, propensity for risk taking, proactive personality, and other-orientation. core self-evaluation Bottom-line conclusions individuals have about their capabilities, competence, and worth as a person.

**Machiavellianism:** The degree to which an individual is pragmatic, maintains emotional distance, and believes that ends can justify means.

**Narcissism:** The tendency to be arrogant, have a grandiose sense of self-importance, require excessive admiration, and have a sense of entitlement.

**Self-monitoring** A personality trait that measures an individual's ability to adjust his or her behavior to external, situational factors.

**High risk-taking managers** made more rapid decisions and used less information than did the low risk takers. Interestingly, decision accuracy was the same for both groups.

**Proactive personality** People who identify opportunities, show initiative, take action, and persevere until meaningful change occurs.

**Other-orientation**, a personality trait that reflects the extent to which decisions are affected by social influences and concerns vs. our own well-being and outcomes. It appears that having a strong orientation toward helping others does affect some behaviors that actually matter for organizations.

## **Type A/Type B theory**

**Meyer Friedman** and **Ray Rosenman** were two cardiologists who took personality typology from the ancient four down to two. They were the originators of the Type A/Type B theory of personality. Type A individuals are driven, organized, and impatient. They are also much more likely to succumb to heart attack. Those with a Type B personality, in contrast, live a much more stress-free, passive life.

**Type A behavior:** competitive, ambitious, impatient, aggressive, fast talking.

**Type B behavior:** relaxed, non-competitive.

### Definition of Type A Personality

Type A personality implies a temperament which is stress prone, concerned with time management. They are ambitious, rigidly organised, hard-working, anxious, highly status conscious, hostile and aggressive. Individuals who possess Type A personality have the following behavioural patterns:

- They move, walk and eat fast.
- Great at multitasking.
- Self-driven feels guilty when relaxing.
- Feels impatient with the pace of things, dislikes waiting.
- They have a busy schedule and does not have time to enjoy life.
- Uses nervous gestures, like clenched fist or banging hand on the table.
- They are high-achievers, perform beyond par.
- They do not easily accept failure.

### Definition of Type B Personality

Type B personality is one that is less prone to stress, easy going, work steadily, enjoy achievement, modest ambition, and live in the moment. They are social, creative, thoughtful, procrastinating. Individuals who possess Type B personality are associated with the following behavioural traits:

- They are not concerned about time.
- They compete for fun, not to win.
- Mild-mannered.
- Never in a hurry and has no pressing deadlines.
- Does not brag.
- Focus on quality rather than quantity.
- Laid back and live stress-less life.

BASIS FOR COMPARISON	TYPE A PERSONALITY	TYPE B PERSONALITY
Meaning	Type A personality is one which is stress prone, in a hurry, impatient and fast in whatever they do.	Type B personality is one which is less stress prone patient, relaxed and easy going.
Nature	Sensitive and proactive	Reflective and innovative
Patience level	Low	High
Temperament	Short-tempered	Even-tempered
Competition	Highly-competitive	Less-competitive
Multitasking	Does several things at a time.	Does one thing at a time.
Stress level	High	Low
Time constraints	Encounters pressure because of time constraints	Is not affected by time constraints.

## Locus of Control

Locus of control refers to the extent to which people feel that they have control over the events that influence their lives. When you are dealing with a challenge in your life, do you feel that you have control over the outcome? Or do you believe that you are simply at the hands of outside forces?

If you believe that you have control over what happens, then you have what psychologists refer to as an internal locus of control. If you believe that you have no control over what happens and that external variables are to blame, then you have what is known as an external locus of control.

Your locus of control can influence not only how you respond to the events that happen in your life, but also your [motivation](#) to take action. If you believe that you hold the keys to your fate, you are more likely to take action to change your situation when needed. If on the other hand, you believe that the outcome is out of your hands, you may be less likely to work toward change.

#### Those With an Internal Locus of Control

- Are more likely to take responsibility for their actions
- Tend to be less influenced by the opinions of other people
- Often do better at tasks when they are allowed to work at their own pace
- Usually, have a strong sense of [self-efficacy](#)
- Tend to work hard to achieve the things they want
- Feel confident in the face of challenges
- Tend to be physically healthier
- Report being happier and more independent
- Often achieve greater success in the workplace

#### Those With an External Locus of Control

- Blame outside forces for their circumstances
- Often credit luck or chance for any successes
- Don't believe that they can change their situation through their own efforts
- Frequently feel hopeless or powerless in the face of difficult situations
- Are more prone to experiencing [learned helplessness](#)

## PERCEPTION

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

### Factors That Influence Perception

A number of factors influence perception.

There are three factors influencing perception which are related to the perceiver, factors related to the target, Factors related to the situation.

## **FACTORS RELATED TO THE PERCEIVER**

**i)Projection:** The perceiver tries to project his personality attributes in others is known as projection.

**ii)Mental makeup:** The perceiver has pre set notion in his mind about certain objects, events and people. The moment he has to deal or act upon those events, he already knows how to act or react as he has made his mental set up to deal with such situations.

**iii)Stereotyping:** Judging someone on the basis of one's perception of the group to which that person belongs.

In organizations, we frequently hear comments that represent stereotypes based on gender, age, race, religion, ethnicity, and even weight .

“Men aren't interested in child care,” “Older workers can't learn new skills,” “Asian immigrants are hardworking and conscientious.”

**iv) Halo Effect:** When we draw a general impression about an individual on the basis of a single characteristic, such as intelligence, sociability, or appearance, a halo effect is operating.

**v) First Impression:** The perceiver forms an impression about the perceived when he meets him for the first time. First impression is normally difficult to change

**vi) Recency Effect:** Recency effect is the effect that the recent event has on the perceiver.

During performance appraisal, the employees are rated on the basis of their latest performance.

## **FACTORS RELATED TO 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.

## **FACTORS RELATED TO THE SITUATION:**

Situation matters too. Factors in the situation are time, work setting and social setting 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.

## **PERCEPTUAL PROCESS:**

**Stage I: Receiving stimuli :** The perception process starts with receiving stimuli. It depicts the environmental stimuli being received by the five sense organs.

**Stage II: Selection of the Stimuli:** In this stage, selection of some stimuli happens for further processing while the rest are screened out. This is governed by both factors external to the individual, such as the size, intensity, repetition, contrast and internal to the individual, such as

the self concept, belief, expectation, response disposition of the perceiver.

**Stage III: Organisation of stimuli :** The selected stimuli is organized in the perceiver's mind to give it a meaningful term. The perceiver is influenced by figure and ground and perceptual grouping .

### **Figure and Ground:**

What a person observes is dependent on how a central figure is being separated from its background. This implies that the perceived object or person or event stands out distinct from its background and occupies the cognitive space of the individual. In a dance programme, the spectators' tend to perceive the dance performance against the back ground music, backdrop setup etc. The perceiver thus tends to organize only the information which stands out in the environment which seems to be significant to the individual.

**Perceptual Grouping:** It means grouping stimuli into an organized pattern. It happens on the basis of proximity, similarity and closure.

**Proximity:** People tend to perceive things, which are nearer to each other, as together as group rather than separately. If four or five members are standing together, we tend to assume that they are belonging to same group rather than as separately. As a result of physical proximity, we often put together objects or events or people as one group even though they are unrelated. Employees in a particular section are seen as group.

**Similarity:** Persons, objects or events that are similar to each other also tend to be grouped together. This organizing mechanism helps us to deal with information in an efficiently way rather than getting bogged down and confused with too many details. For examples, if we happen to see a group of foreign nationals at an International seminar, Indians are grouped as one group, British as another, Americans as yet another based on the similarity of nationalities.

**Closure:** In many situation, the information what we intend to get may be in bits and pieces and not fully complete in all respects. However, we tend to fill up the gaps in the missing parts and making it as meaningful whole. Such mental process of filling up the missing element is called as closure. For example, while giving promotions to the staff members, the managers will try to get full information to make an effective decision, in absence of getting complete information, managers try to make meaningful assumptions and based on that suitable decision will be made.

**Stage IV: Interpretation:** Assigning meaning to data is called interpretation. Once the inputs are organized in human mind, the perceiver interpretes the inputs and draws conclusion from it. But interpretation is subjective as different people interpret the same information in different ways.

**Stage V: Behavior Response or Action:** In this stage the response of the perceiver takes on both covert and overt characteristics. Covert response will be reflected in the attitudes, motives, and feelings of the perceiver and overt responses will be reflected in the actions of the individual.

## **IMPORTANCE OF PERCEPTION IN OB**

People in organisations are always assessing others. Managers must appraise their subordinate's performance, evaluate how co-workers are working. When a new person joins a department he or she is immediately assessed by the other persons. These have important effect on the organisation.

**Employment Interview:** Employment interview is an important input into the hiring decision, and perceptual factors influence who is hired and vis-à-vis the Quality of an organisations labour force.

**Performance Appraisals:** Performance appraisal is dependent on the perceptual process. An employee's future is closely tied to the appraisal—promotion, pay raises, and continuation of employment are among the most obvious outcomes.

**Assessing Level of Effort:** In many organisations, the level of an employee's effort is given high importance. Assessment of an individual's effort is a subjective judgment susceptible to perceptual distortions and bias.

**Assessing Loyalty:** Another important judgment that managers decide about employees is whether they are loyal to the organisation.

**Productivity:** What individuals perceive from their work situation will influence their productivity. More than the situation itself than whether a job is actually interesting or challenging is not relevant. How a manager successfully plans and organises the work of his subordinates and actually helps them in structuring their work is far less important than how his subordinates perceive his efforts. Therefore, to be able to influence productivity, it is necessary to assess how workers perceive their jobs.

**Absenteeism and Turnover:** Absence and Turnover are some of the reactions to the individuals perception. Managers must understand how each individual interprets his job. and where there is a significant difference between what is seen and what exists and try to eliminate the distortions. Failure to deal with the differences when individuals perceive the job in negative terms will result in increased absenteeism and turnover.

**Job Satisfaction:** Job satisfaction is a highly subjective, and feeling of the benefits that derive from the job. Clearly his variable is critically linked to perception. If job satisfaction is to be improved, the worker's perception of the job characteristics, supervision and the organisation as a

whole must be positive.

Understanding the process of perception is important because (1) It is unlikely that any person's definition of reality will be identical to an objective assessment of reality. (2) It is unlikely that two different person's definition of reality will be exactly the same. (3) Individual perceptions directly influences the behaviour exhibited in a given situation.

## **LEARNING**

According to S.P. Robbins, "learning is any relatively permanent change in behavior that occurs as a result of experience."

### **LEARNING PROCESS/NATURE**

Learning is part of every one's life. In our life, all complex behavior is learned. Learning is defined as any relatively permanent change in behavior that occurs as a result of experience. Whenever any change occurs learning is taken place in the individual. If an individual behaves, reacts, responds as a result of experience which is different from others, a person has encountered some new learning experience in his life. This definition consists of the following four key elements:

**i) Change process:** Learning involves some change in oneself in terms of observable actions explicitly shown to others or change in one's attitude or thought process occur with oneself implicitly. Change may be good or bad or positive or negative from an organization point of view. If a person is happened to experience some negative incidents, that person will hold prejudices or bias or to restrict their output. On the contrary, if a person is encountering some good incident, that person is likely to hold positive attitude.

**ii) Permanent change:** Due to whatever exposure a person encounters, the impact what it generates may be long lasting and permanent. Hence, the change must be of relatively permanent. If change occurs due to fatigue or alcohol consumption or temporary adaptation, it may be vanished once the goal is achieved.

**iii) Setting behavioral actions:** Explicit changes occurring in behavior is the main goal of learning process. A change in an individual's thought process or attitudes without any changes in many explicit behavior will not be considered as learning process.

**iv) Need for meaningful experiences:** Some form of experiences is necessary for learning. Experience may be acquired directly through observation or practice. If experience results in a relatively permanent change in behavior, one can confidently say that learning has taken place.

Theories of Learning: There are three types of learning theories. These theories are classical conditioning, operant conditioning and social learning.

### **The components of learning process are:**

#### 1) Drive

Learning frequently occurs in the presence of drive – any strong stimulus that impels action. Drives are basically of two types -primary (or physiological); and secondary (or psychological). These two categories of drives often interact with each other. Individuals operate under many drives at the same time. To predict a behavior, it is necessary to establish which drives are stimulating the most.

#### 2) Cue Stimuli

Cue stimuli are those factors that exist in the environment as perceived by the individual. The idea is to discover the conditions under which stimulus will increase the probability of eliciting a specific response. There may be two types of stimuli with respect to their results in terms of response concerned: generalization and discrimination.

##### a) Generalization

Generalization occurs when a response is elicited by a similar but new stimulus. If two stimuli are exactly alike, they will have the same probability of evoking a specified response. The principle of generalization has important implications for human learning. Because of

generalization, a person does not have to ‘completely relearn each of the new tasks. It allows the members to adapt to overall changing conditions and specific new assignments. The individual can borrow from past learning experiences to adjust more smoothly to new learning situations.

#### b) Discrimination

Discrimination is a procedure in which an organization learns to emit a response to a stimulus but avoids making the same response to a similar but somewhat different stimulus. Discrimination has wide applications in ‘organizational behavior. For example, a supervisor can discriminate between two equally high producing workers, one with low quality and other with high quality.

#### 3) Responses

The stimulus results in responses. Responses may be in the physical form or may be in terms of attitudes, familiarity, perception or other complex phenomena. In the above example, the supervisor discriminates between the worker producing low quality products and the worker producing high quality products, and positively responds only to the quality conscious worker.

#### 4) Reinforcement

Reinforcement is a fundamental condition of learning. Without reinforcement, no measurable modification of behavior takes place. Reinforcement may be defined as the environmental event’s affecting the probability of occurrence of responses with which they are associated.

#### 5) Retention

The stability of learned behavior over time is defined as retention and its contrary is known as forgetting. Some of the learning is retained over a period of time while others may be forgotten.

### FACTORS AFFECTING LEARNING

Motivation of the learner

Mental set of the learner

Nature of Learning Material

Practice

Environment

## **CLASSICAL CONDITIONING THEORY**

Russian physiologist Ivan Pavlov developed classical conditioning theory. When he was doing a research on the chemical properties of saliva of dog, he noticed accidentally that the dog started salivating the moment hearing the sound of a door of cupboard clinking. Based on his observation, he wanted to do some experiment whether the dog can be conditioned to respond to any neutral stimuli. He used a simple surgical procedure to operate the salivary glands of a dog to measure accurately the amount of saliva.

Pavlov's Experiment: Pavlov conducted his experiment in three stages.

Stage I: When Pavlov presented the dog with a piece of meat, the dog exhibited a noticeable increase in salivation. The meat is unconditional stimulus and salivation is unconditional response.

Stage II: In this stage, the dog was not given a piece of meat but only exposed to a sound of ringing bell; the dog did not salivate to the mere sound of a ringing bell. Stage III: Pavlov decided to link both the presentation of meat and the ringing of a bell one after the other with an interval of 5 minutes. After repeatedly hearing the bell before getting the meat, the dog began to salivate as soon the bell rang. There is an association or link between meat and ringing a bell.

After repeating the association between meat and ringing a bell, the dog started salivating merely at the sound of the bell, even if no food was offered. The dog is now conditioned to respond to a sound of a bell and started salivating. This is called classical conditioning process.

Thus, classical condition is defined as the formation of S-R link (Stimulus-Response) or habit between a conditioned stimulus and a conditioned response through the repeated pairing of

conditioned stimulus with an unconditioned stimulus. In this experiment, the meat is unconditioned stimulus, and the expected response that is, salivating to the meat is called as unconditioned response. The sound of a bell is a neutral stimulus which does not have any property to elicit salivation, is called as conditioned stimulus.

Although it was originally neutral, if the bell was paired with meat (unconditioned stimulus) it acquired the same property as meat eliciting the salivation.

The sound of a bell produced salivation when presented alone. This is called conditioned response, that is, now the dog is conditioned to respond to the sound of a bell. Learning conditioned response involves building up an association between a conditioned stimulus and unconditioned stimulus. When the stimuli, one is natural and the other one neutral are paired, the neutral one becomes a conditioned stimulus and hence takes on the properties of the unconditioned stimulus.

### **APPLICATION OF CLASSICAL CONDITIONING PRINCIPLES AT WORK**

Whenever President or Vice-President of Corporate Office visits factory site the employees in the shop floor will more attentive at work and look more prim, proper and active in their work life. It is quite natural that top management personnel visit (Unconditioned Stimulus) evoking or eliciting a desired response- being prim and proper at work from the employees (Unconditioned Response). The routine cleaning of windows or floor of the administrative office will be neutral stimulus never evoking any response from the employees. If the visit of the top

management personnel is associated with such cleaning process, eventually the employees would turn on their best output and look prim and active the moment windows and floor are being cleaned up. The employees had learned to associate the cleaning of the windows with a visit from the head office. The cleaning process (conditioned stimulus) evoked attentive and active work behavior (conditioned response). Similarly, Christmas Carols songs bring pleasant memories of childhood as these songs are being associated with the festive Christmas Spirit.

Classical conditioning is passive. It is elicited in response to a specific, identifiable event.

## **OPERANT CONDITIONING**

Operant conditioned principle is proposed by B.F. Skinner, an American Psychologist. It is a type of conditioning in which desired voluntary behavior leads to a reward or prevent a punishment. Operant conditioning principle emphasizes strongly that the behavior of an individual is a function of its consequences. If the consequences are pleasant, the behavior associated with such consequences will be repeated again and again. If the consequences are unpleasant, the behavior will be in extinct. The rationale behind this theory is that people learn to behave in order to get something they want or to avoid something they don't want. Operant condition is learned process. The tendency to repeat such behaviour is influenced by the reinforcement or lack of reinforcement brought about by the consequences of the behavior. The proper reinforcement strengthens a behavior and increases the likelihood that it will be repeated.

### **APPLICATION OF OPERANT CONDITIONING IN WORK LIFE**

If a sales person who hits the assigned target of sales quota will be reinforced with a suitable attractive reward, the chances of hitting further sales target in future will be exemplified. Skinner argued that creating pleasant consequences (giving attractive rewards) to follow specific forms of behavior (hitting sales target) would increase the frequency of that behavior. People will most likely engage in desired behaviors if they are positively reinforced for doing so. Rewards are most effective if they immediately follow the desired response. In addition, behavior that is not rewarded is less likely to be repeated. A commissioned sales person wanting to earn a sizeable income finds that doing so is contingent on generating high sales in his territory.

## **COGNITIVE LEARNING THEORY**

Cognition refers to an individual's thoughts, knowledge, interpretations, understandings or views about oneself and his/her environment. Based on it cognitive theory argues that the person tries to form his/her cognitive structure in memory, which preserves and organizes all information relating to the events that may occur in learning situation. Here an experiment was conducted on

a monkey by Kohler. Kohler presented two sticks to a monkey in a cage. Both sticks were too short to reach a banana lying outside cage. This produced an experience, or say, cognition, insight monkey. What monkey did without any prior exposure, joined both sticks together and pulled the banana inside the cage. Clearly learning took place inside the mind of monkey. Thus, the learning process involved in this case is putting or organizing bits of information in a new manner perceived inside the mind. This type of learning is very imp in organizational behaviour for changing attitudes by the individuals.

## **SOCIAL LEARNING THEORY**

People learn through both observation and direct experience, which is called as social learning theory. Individual learn by observing what happens to other people and just by being told about something, as well as by direct experiences. By observing people around us, mostly from parents, teachers, peers, films and television performers, bosses, we learn new behavior pattern.

The following four processes are vital to determine the influence that a model will have on an individual.

**i) Attention Process:** People learn from a model only when they recognize and pay attention to its critical features. People tend to be most influenced by models that are attractive, repeatedly available similar to us in our estimation.

**ii) Retention Process:** A model's influence will depend on how well the individual remembers the model's action after the model is no longer readily available.

**iii) Motor Reproduction Process:** After a person has seen a new behavior by

observing the model, the watching must be converted to doing. This process then demonstrates that the individual can perform the modeled activities.

**iv) Reinforcement Process:** Individual will be motivated to exhibit they modeled behavior if positive incentives or rewards are provided. Behavior that is positively reinforced will be given more attention, learned better and performed more often.

## **MOTIVATION**

Motivation is an inspiration that helps to use the employees' knowledge and skill for the growth and development of the organization. It is an act of persuading the people who work in the organization. It is defined as the psychological process that helps to increase the will to do work. It is the process of inspiring people from which the people can use their ability. It is an important function of management. The employees who are engaged in the organization must be motivated. Without motivation, their ability and skill can't be used properly. Every employee has the capacity to do work. It is the process that helps the employee to explore their talent.

“The concept of motivation is mainly psychological. It relates to those factors or forces operating with the individual employee or subordinate which impel him to act or not to act in certain ways.”

### **Importance of motivation**

1. **Proper utilization of production factor:** Motivation is the mechanism which is used to stimulate the employees. Stimulated employees are ready to use the production factor properly and efficiently. So it results in increase in production and productivity.

2. **Willingness and interest creation:** Motivation stimulates the employees in an organization. It influences the willingness of employees to work hard and help to present better performance. It is a process that acts according to desire of employees and increases the willingness and interest of employees to do work.

3. **High productivity:** When the employees are fully motivated there is better performance. It results high production and productivity increment.

4. **Organizational goals:** The machine, equipment, money cannot be effectively used when the employees are not motivated to do the work in an organization to the maximum extent. So it helps to achieve the organizational goals.

5. **Readiness for change:** Changes are required in every organization. Such changes may be in technology, environment etc. when the changes are introduced in the organization there is tendency to resist them by the employee or hesitate to accept the change. Motivated employees are already made ready to accept the change.

6. **Efficiency in work:** Motivated employees perform their duties according to the goals of the organization. They perform work efficiently and timely and increase the efficiency.

7. **Reduce absenteeism:** – Motivated employees don't want to be absent frequently. In other words, Motivated employees stay in the organization more and non Motivated employees are careless for the organizational goals.

8. **Employees' satisfaction:** employee's satisfaction is an important aspect for the managerial point of view. Employees may be motivated by fulfilling their needs and giving satisfaction in their work. In short Motivated employees are always satisfied.

9. **Less disputes and strikes:** disputes and strikes are harmful for organizational activities. When the employees are not motivated they are dissatisfied which creates disputes in the organization.

10. **Better human relation:** all employees must be treated as human beings by the organization. Motivation is mainly related to behave the human beings.

**Process of Motivation:** It involves four steps:

1. Motive
2. Behaviour
3. Goal
4. Feedback

**Motive:** It indicates the inner state of mind that energizes, activates or moves a person and directs his behavior towards goals.

**Behaviour:** Behaviour is the sum of various activities and attitudes of a person

**Goals:** Motives generally create a state of disequilibrium physiological or psychological imbalances within the individual. Attaining the goal restores this balance.

**Feedback:** the system of feedback is important to understand and analyze the motives, behavior, goals and incentives for motivation

**Types of Motivation: There are two types- Intrinsic and Extrinsic**

**Extrinsic Motivation** is geared toward external rewards and reinforcers. Some examples of external rewards are money, praise, awards, etc. Some examples of external reinforcers are policy and procedures, disciplinary action, speeding tickets, boundary-setting, etc.

**Intrinsic Motivation** is geared toward internal rewards and reinforcers. Some examples of internal rewards are enjoyment, achievement, a sense of competence. Some examples of internal reinforcers are "Shoulds", "Musts", & "Oughts", a guilty conscience, and Toxic Shame.

## **Classical Theories of Motivation**

- Fear and Punishment Theory
- Monetary Reward Theory
- Carrot and Stick Theory

**Fear and Punishment Theory:** This theory takes negative view of human behavior. This theory states that a man can be made to work by creating fear and punishment.

**Monetary Reward Theory:** According to this theory, there is a positive relationship between monetary rewards and execution of work.

**Carrot and Stick Theory:** This theory takes in to consideration both reward and punishment and takes in to consideration both positive and negative measures for motivation.

## **Modern Theories of Motivation**

- Maslow Need Hierarchy
- Theory X and Y
- Herzberg's two factor theory of motivation
- Vroom's Valence Expectancy Theory

### **1. Maslow Need Hierarchy:**

Maslow's Hierarchy of Needs has often been represented in a hierarchical pyramid with five levels. The four levels (lower-order needs) are considered physiological needs, while the top level of the pyramid is considered growth needs. The lower level needs must be satisfied before higher-order needs can influence behavior.

**Physiological needs-** These are the basic needs of air, water, food, clothing and shelter. In other words, physiological needs are the needs for basic amenities of life.

**Safety needs-** Safety needs include physical, environmental and emotional safety and protection. For instance- Job security, financial security, protection from animals, family security, health security, etc.

**Social needs-** Social needs include the need for love, affection, care, belongingness, and friendship.

**Esteem needs-** Esteem needs are of two types: internal esteem needs (self- respect, confidence, competence, achievement and freedom) and external esteem needs (recognition, power, status, attention and admiration).

**Self-actualization need-** This include the urge to become what you are capable of becoming / what you have the potential to become. It includes the need for growth and self-contentment. It also includes desire for gaining more knowledge, social- service, creativity and being aesthetic. The self- actualization needs are never fully satiable. As an individual grows psychologically, opportunities keep cropping up to continue growing.



**Maslow** suggested the following points:

1. There are five levels of needs
2. All needs are arranged in an hierarchy.
3. A satisfied need is no longer a need. Once a need or a certain order of need is satisfies, it ceases to be a motivating factor.
4. Once one level of need is satisfied, the next level of need will emerge as the depressed needs seeking to be satisfied.
5. The psychological and security needs are finite but needs of higher order are infinite and are likely to be dominant in persons at higher levels in organizations.
6. Maslow suggested that various levels are independent and overlapping. Each higher level emerging before the lower level need has been completely satisfied.

### **Critical Analysis of Maslow's Theory**

The theory was criticized on the basis of following points:

- There is a lack of hierarchical structure of needs as suggested by Maslow. Some people may be deprived of their lower needs but may strive for self actualization needs.
- There is a lack of direct cause and effect relationship between need behavior. One particular need may cause different type of behavior in different individuals.

- Some people say that hierarchy of need simply does not exist. At all levels of needs are present at a given time. An individual motivated by self actualization needs cannot afford to forget his food.

## **Theory X and Y**

**Theory X and Y :** Douglas McGregor's Theory X and Theory Y, first published in 1957 in his book "Human side of enterprise". These two theories clearly distinguished traditional autocratic assumptions about the nature of people (Theory X) from more behaviorally based assumptions (Theory Y). The usefulness of the McGregor theories is his convincing arguments that most management actions flow directly from whatever theory of human behavior managers hold.

**Theory X Assumptions:** The average human being is inherently lazy by nature and desires to work as little as possible. He dislikes the work and will like to avoid it, if he can.

- He avoids accepting responsibility and prefers to be led or directed by some other.
- He is self- centered and indifferent to organizational needs.
- He has little ambition, dislikes responsibility, prefers to be led but wants security.
- He is not very intelligent and lacks creativity in solving organizational problems.
- He by nature resists to change of any type.

**Theory Y Assumptions:** Work is as natural as play, provided the work environment is favorable. Work may act as a source of satisfaction or punishment. An average man is not really against doing work.

- People can be self-directed and creative at work if they are motivated properly.
- Self-control on the part of people is useful for achieving organizational goal. External control and threats of punishment alone do not bring out efforts towards organizational objectives.
- People have capacity to exercise imagination and creativity.
- People are not by nature passive or resistant to organizational needs. They have become so as a result of experience in organizations.

**Conclusion:** McGregor thinks that Theory Y managers are more likely than Theory X managers to develop the climate of trust with employees that is required for human resources development. They would include managers communicating openly with subordinates, minimizing the difference between superior-subordinate relationship, creating a comfortable environment in which subordinates can develop and use their abilities. Most employees (including managers) fall somewhere between these poles.

## Herzberg's two factor theory of motivation:

Herzberg extended work of Maslow and developed a specific content theory of work motivation. Herzberg interviewed 203 engineers and accountants. They were asked to recall a time when they felt exceptionally good for their work and the feeling associated.

**Hygiene factors-** Hygiene factors are those job factors which are essential for existence of motivation at workplace. These do not lead to positive satisfaction for long-term. But if these factors are absent / if these factors are non-existent at workplace, then they lead to dissatisfaction. In other words, hygiene factors are those factors which when adequate / reasonable in a job, pacify the employees and do not make them dissatisfied. These factors are extrinsic to work. Hygiene factors are also called as **dissatisfiers or maintenance factors** as they are required to avoid dissatisfaction. These factors describe the job environment / scenario. The hygiene factors symbolized the physiological needs which the individuals wanted and expected to be fulfilled. Hygiene factors include



- a. **Pay-** The pay or salary structure should be appropriate and reasonable. It must be equal and competitive to those in the same industry in the same domain.

- b. Company Policies and administrative policies-** The company policies should not be too rigid. They should be fair and clear. It should include flexible working hours, dress code, breaks, vacation, etc.
- c. Fringe benefits-** The employees should be offered health care plans (mediclaim), benefits for the family members, employee help programmes, etc.
- d. Physical Working conditions-** The working conditions should be safe, clean and hygienic. The work equipments should be updated and well-maintained.
- e. Status-** The employees' status within the organization should be familiar and retained.
- f. Interpersonal relations-**The relationship of the employees with his peers, superiors and subordinates should be appropriate and acceptable. There should be no conflict or humiliation element present.
- g. Job Security-** The organization must provide job security to the employees.

**Motivational factors-** According to Herzberg, the hygiene factors cannot be regarded as motivators. The motivational factors yield positive satisfaction. These factors are inherent to work. These factors motivate the employees for a superior performance. These factors are called satisfiers. These are factors involved in performing the job. Employees find these factors intrinsically rewarding. The motivators symbolized the psychological needs that were perceived as an additional benefit. Motivational factors include:

- h. Recognition-** The employees should be praised and recognized for their accomplishments by the managers.
- i. Sense of achievement-** The employees must have a sense of achievement. This depends on the job. There must be a fruit of some sort in the job.
- j. Growth and promotional opportunities-** There must be growth and advancement opportunities in an organization to motivate the employees to perform well.
- k. Responsibility-** The employees must hold themselves responsible for the work. The managers should give them ownership of the work. They should minimize control but retain accountability.

1. **Meaningfulness of the work-** The work itself should be meaningful, interesting and challenging for the employee to perform and to get motivated.

### Critical analysis of Herzberg theory

- **Not conclusive** - Herzberg study was limited to engineers and accountants. This theory is not conclusive because the professionals or white collar workers may like responsibilities and challenging jobs. But the general workers are motivated by pay and other benefits.
- **Job enrichment** - This theory has given so much emphasis on job enrichment and has ignored job satisfaction to the workers.

### Vroom's Valence Expectancy Theory :

Victor vroom presented an Expectancy theory (1964) for understanding the human behavior and motivation.

Vroom's Motivation Formula:

**Force(motivation)=Valence(value) x Expectancy (probability) x Instrumentality(relationship between performance and reward)**

The Expectancy theory is based on three important propositions, these are: valence, expectancy and instrumentality.



- **Valence:** Valence refers to the emotional orientations people hold with respect to outcomes [rewards]. Management must discover what employee's value. It means the attraction or repulsion of an outcome to individual. Whenever an individual has preference for a reward , valence is the strength of that preference. Valence is subjective and varies from person to person. Valence is zero, if the individual is indifferent towards the outcome and valence will be negative if the individual prefers not attaining it.

- **Expectancy:** It is referred to as effort-performance probability. It refers to the extent to which person believes his efforts will lead to first level outcome i.e., completion of task. It is the probability that a particular action will lead to an outcome. Employees have different expectations and levels of confidence about what they are capable of doing. Management must discover what resources, training, or supervision employees need.
- **Instrumentality:** It refers to the probability attached by an individual to each possible performance - outcome alternative. For ex, if an individual wants a promotion and feels that superior performance is important for achieving promotion. Superior performance is the first level outcome and performance is second level outcome. The perception of employees as to whether they will actually get what they desire even if it has been promised by a manager. Management must ensure that promises of rewards are fulfilled and that employees are aware of that.

### **Evaluation of Vroom's theory**

- It is highly useful in understanding organizational behavior. It can improve the relationship between individual and organizational goals.
- This theory helps managers in looking beyond what Maslow and Herzberg implied. The managers but make it possible for an employee to see that effort can resulting appropriate need satisfying rewards.

### **Negative implications of theory**

- It is difficult to research and apply in practice.
- This theory assumes man to be a rational human being who makes all decisions consciously. But there are numerous instance where decisions are taken with no conscious thought.
- It is quite complex.

## ORGANIZATIONAL CHANGE

**Organizational change** can be defined as the alteration in structure, technology or people in an organization or behavior by an organization. Here we need to note that change in organizational culture is different from change in an organization. A new method or style or new rule is implemented here.

An organizational change occurs due to two major factors namely –

- **External factor** – External factors are those factors that are present outside the firm but force the firm to change or implement a new law, rule etc. For example, all banks are bound to follow the rules laid down by the RBI.
- **Internal factor** – Internal factors are those factors that are caused or introduced inside an organization that forces a change. For example, no smoking in the workplace.

### **Kurt Lewin's Force Field Analysis**

Kurt Lewin, is a noted organizational theorist, who proposed the force field analysis for organizational change. In this theory, he has prioritized two factors for change in an organization, namely –

- **Driving force** – Driving force can be defined as an organizational force that makes a change with respect to structure, people and technology. In short, it drives the organization from one culture to another.
- **Restoring force** – Restoring force is the force which changes the culture from the existing state to the old state. It indicates a backward motion while the driving force indicates a forward motion.

### **Importance of Organizational Change**

There is a need of change in an organization because there is always a hope for further development, and in order to survive in a competitive market, the organization needs to be updated with changes. However, we have listed some reasons to explain why changes are deliberately made and carefully planned by the organization before implementation.

- It improves the means to satisfy the economic requirements of people.
- It enhances the profitability of organization.
- It promotes employee satisfaction and well-being.

### **Planned Change**

We can define planned change as any kind of alteration or modification which is done in advance and differently for improvement.

### **The Need for Planned Change**

Planned change takes places in an organization when there is a demand for change due to two types of forces. These forces are grouped into internal sources and external sources.

Internal forces that lead to a planned change in an organization include obsolescence of production and service, new market opportunities, new strategic direction, increasing workforce diversity, and shift in socio-cultural values.

External forces that lead to a planned change in an organization include regulators, competitors, market force, customers, and technology. Each of these forces can create pressing demand for change in small or big, public or private, business or non-business organizations.

### **Process of Planned Change**

Once the management decides to implement some changes in the organization, it needs to be done carefully as it is a very sensitive issue. It is very important for all the employees to adapt to change. According to Kurt Lewin, the planned organizational change is implemented in three different stages. They are –

- **Unfreezing** – In this stage, the organization studies if the change is required or not, what and why is the change necessary. Considering the entire situation, the organization decides for appropriate change. Thus a plan and strategy is formulated as required.
- **Changing** – In this stage, the organization executes the plan and program for change. For this purpose, proper precautions are taken in order to maintain cooperation and coordination between the employees and management, avoiding miscommunication or disputes. Adequate supervision and control is arranged as needed.
- **Refreezing** – This is the final stage, in order to bring organizational change. By way of supervision, the organization tries to evaluate the effectiveness of change. Collecting all this information, the management interprets whether to continue or replace change by some other alternatives or to make further minor changes.

### **Some other steps for process of planned change is as follows:**

- 1 **Recognize the need for change.** Recognition of the need for change may occur at the top management level or in peripheral parts of the organization. The change may be due to either internal or external forces.
- 2 **Develop the goals of the change.** Remember that before any action is taken, it is necessary to determine why the change is necessary. Both problems and opportunities must be evaluated. Then it is important to define the needed changes in terms of products, technology, structure, and culture.
- 3 **Select a change agent.** The change agent is the person who takes leadership responsibility to implement planned change. The change agent must be alert to things that need revamping, open to good ideas, and supportive of the implementation of those ideas into actual practice.
- 4 **Diagnose the current climate.** In this step, the change agent sets about gathering data about the climate of the organization in order to help employees prepare for change. Preparing people for change requires direct and forceful feedback about the negatives of

the present situation, as compared to the desired future state, and sensitizing people to the forces of change that exist in their environment.

- 5 **Select an implementation method.** This step requires a decision on the best way to bring about the change. Managers can make themselves more sensitive to pressures for change by using networks of people and organizations with different perspectives and views, visiting other organizations exposed to new ideas, and using external standards of performance, such as competitor's progress.
- 6 **Develop a plan.** This step involves actually putting together the plan, or the “what” information. This phase also determines the when, where, and how of the plan. The plan is like a road map. It notes specific events and activities that must be timed and integrated to produce the change. It also delegates responsibility for each of the goals and objectives.
- 7 **Implement the plan.** After all the questions have been answered, the plan is put into operation. Once a change has begun, initial excitement can dissipate in the face of everyday problems. Managers can maintain the momentum for change by providing resources, developing new competencies and skills, reinforcing new behaviors, and building a support system for those initiating the change.
- 8 **Follow the plan and evaluate it.** During this step, managers must compare the actual results to the goals established in Step 4. It is important to determine whether the goals were met; a complete follow-up and evaluation of the results aids this determination. Change should produce positive results and not be undertaken for its own sake.

### **Types of Organizational Change**

The following are some types of changes that occur in an organization and they include changes as follows:

1. **Organization wide change** - In this, organization undertakes changes in order to evolve into a defined level which will lead to organization achieving a stable and planned development.
2. **Transformational Change** - It is radical or second order in nature. It requires a shift in assumptions made by the organization and its members.
3. **Incremental change** - This change can be seen as a continuous improvement in quality of management. This type of change is more evident where the organization adopts more efficient management practices.
4. **Remedial Change** - This change occurs for the purpose of solving a current problem that faces an organization. Therefore, this change occurs as a remedy to a problem.
5. **Planned Change** - Sometimes change is deliberate, a product of conscious reasoning and actions. This type of change is called planned change. It occurs when leaders of organization realize the need to implement major changes in organization.
6. **Unplanned change** - It is also known as emergent change. An unplanned change occurs due to a sudden event in the organization, e.g. a poor product which leads to a loss in customers will force the organization to initiate change.

7. **Development change** - It may be either planned or emergent; it is first order or incremental. It is change that enhances or corrects existing aspects of an organization, often focussing on the improvement of a skill or process.

### **Types of Planned Change**

On the basis of a company's requirement planned change is classified into three types. They are

–

- Change in structure
- Change in technology
- Change in people

### **Change in Structure**

We say that the planned change required is change in structure when development is required in these following areas –

- Change in management
- New management
- Change in position or location
- Change in objective, rules, regulations etc.
- Launching new branches

### **Change in Technology**

We say that the planned change required is change in technology when development is required in these following areas –

- Need of office automation
- Installing new hardware and software
- Executing new working procedures
- New methods in production function
- Producing new products and devices
- New training, research and development program

### **Change in People**

We say that the planned change required is change in people when development is required in these following areas –

- New candidate requirement
- Promotion or demotion
- Transfer to other location
- Suspension or dismissal
- Deputation
- Training and development

## Causes of Organizational Change

There can be many sources for introducing change. For the sake ease, those have been divided into two parts:

1. **Internal causes** : The following internal causes can be responsible for introducing changes:

a) **Managerial** : The first internal cause of change is related with the managers. It means the moment there is some difference in the position of managers, changes have got to be made in the organization. These examples include promotion, transfer, proceeding on leave, retrenchment etc.

b) **Developmental** : It is important to keep up the tempo of dynamism for development of an organization. Intelligent managers continue to introduce changes in some form or the other. The main advantage of it is that whenever some big change has got to be introduced, the employees do not oppose it.

c) **Organizational** : The following causes are responsible for weakening the organization:

- Managerial levels not being as required.
- Span of management (being too little or too much)
- The number of departments (excessive or deficient)
- Absence of effective communication system
- Absence of good relations among the departments

2. **External causes**: The following external causes can be responsible for introducing changes:

- **Economical environment**. Around your company there are competitors, suppliers, different interest rates, unemployment rates, income settlement, credit policy, gross domestic product, inflation, the level of international trade... All these things will have a high influence on companies and the need for changes in the organization. You need to track them in order to make the right decisions for change.
- **Technological environment**. Technology is simply the use of knowledge, methods and techniques that transform the inputs into the outputs of the organization. The rate with which technology as an external source of organizational change can influence on organization varies from industry to industry. As an entrepreneur, you will need to follow the development of new technology in your industry and use the latest achievements in technology development in your own business. Because of that technology will require organizational changes.
- **Socio-cultural environment**. Socio-cultural environment as the external environment or source of organizational changes contains people's values, habits, norms, attitudes and demographic characteristics. Every society has different sociocultural characteristics based on the region, ethnics, settlement, etc. All of these factors will have a high influence on the way how your business operates or will operate in the future.

- **Political environment.** This area as an external source of organizational change deal with the laws and bylaws retrieved by the parliament as well as regulations issued by the government. Political area contains elements such as legislation, government stability, strikes, political situation in neighboring countries, taxation... These sources of organizational change must be respected by entrepreneurs and incorporated in the work of their companies.
- **An international environment.** A country where a company operates is a narrower environment of that company, but the wider environment is international environment. This environment recently had an increased impact on the business because of the increasing globalization of markets. What happens in the global market affects every business. The global crisis presents an example, which currently holds the whole world.

### **Resistance to change**

It is difficult for organizations to avoid change, as new ideas promote growth for them and their members. Change occurs for many reasons such as new staff roles; increases or decreases in funding; acquisition of new technology; new missions, vision or goals; and to reach new members or clients. Changes can create new opportunities, but are often met with criticism from resistant individuals within the group.

### **Overt and Covert Resistance**

#### Identifying Overt Resistance

Overt resistance is the easier type of resistance to identify, and usually involves one or more team members at the meeting speaking up and objecting to our process as facilitators.

Overt resistance **sounds like**:

- “We’re a creative team; we work best when we’re loose and ideas are flowing”
- “Can we apply structure AFTER we’ve spitballed/brainstormed for a while?”
- “This process stuff is bogging us down!”
- “We’ve had tons of meetings without a facilitator and they’ve been fine; we don’t need him!”
- “Can’t you just write down what we say and let us do it our way?”

Overt resistance can be especially common when facilitating teams of senior management, as they may feel they are “above” being facilitated. This type of resistance is best dealt with using the “Pull” approach.

#### Identifying Covert Resistance

Covert or ‘passive’ resistance **looks like**:

- Lack of participation, silence
- Crossed arms and closed body language
- Furrowed brows and/or a look of scepticism or boredom
- Exchanging sideways glances with other team members
- Avoiding eye contact or behaving in a distracted manner

Drawing team members out of their silence is the key to overcoming passive resistance. Once you get people to express their misgivings or doubts about the meeting, the resistance becomes overt, and you can move to the “Pull” approach.

## Reasons for Employee Resistance

- 1 **Misunderstanding about the need for change/when the reason for the change is unclear** — If staff do not understand the need for change you can expect resistance. Especially from those who strongly believe the current way of doing things works well... and has done for twenty years!
- 2 **Fear of the unknown** — One of the most common reasons for resistance is fear of the unknown. People will only take active steps toward the unknown if they genuinely believe – and perhaps more importantly, **feel** – that the risks of standing still are greater than those of moving forward in a new direction
- 3 **Lack of competence** — This is a fear people will seldom admit. But sometimes, change in organizations necessitates changes in skills, and some people will feel that they won't be able to make the transition very well
- 4 **Connected to the old way** — If you ask people in an organization to do things in a new way, as rational as that new way may seem to you, you will be setting yourself up against all that hard wiring, all those emotional connections to those who taught your audience the old way – and that's not trivial
- 5 **Low trust** — When people don't believe that they, or the company, can competently manage the change there is likely to be resistance
- 6 **Temporary fad** — When people believe that the change initiative is a temporary fad
- 7 **Not being consulted** — If people are allowed to be part of the change there is less resistance. People like to know what's going on, especially if their jobs may be affected. **Informed employees** tend to have higher levels of job satisfaction than uninformed employees
- 8 **Poor communication** — It's self evident isn't it? When it comes to change management there's no such thing as too much **communication**
- 9 **Changes to routines** — When we talk about comfort zones we're really referring to routines. We love them. They make us secure. So there's bound to be resistance whenever change requires us to do things differently
- 10 **Exhaustion/Saturation** — Don't mistake compliance for acceptance. People who are overwhelmed by continuous change resign themselves to it and go along with the flow. You have them in body, but you do not have their hearts. Motivation is low
- 11 **Change in the status quo** — Resistance can also stem from perceptions of the change that people hold. For example, people who feel they'll be worse off at the end of the change are unlikely to give it their full support. Similarly, if people believe the change favors another group/department/person there may be (unspoken) anger and resentment

- 12 Benefits and rewards** — When the benefits and rewards for making the change are not seen as adequate for the trouble involved

## **ORGANIZATION EFFECTIVENESS**

Organizational effectiveness can be defined as the efficiency with which an association is able to meet its objectives. This means an organization that produces a desired effect or an organization that is productive without waste. Organizational effectiveness is about each individual doing everything they know how to do and doing it well; in other words organizational efficiency is the capacity of an organization to produce the desired results with a minimum expenditure of energy, time, money, and human and material resources. The desired effect will depend on the goals of the organization, which could be, for example, making a profit by producing and selling a product. An organization, if it operates efficiently, will produce a product without waste. If the organization has both organizational effectiveness and efficiency, it will achieve its goal of making a profit by producing and selling a product without waste. In economics and the business world, this may be referred to as maximizing profits.

The main measure of organizational effectiveness for a business will generally be expressed in terms of how well its net profitability compares with its target profitability. Additional measures might include growth data and the results of customer satisfaction surveys.

Highly effective organizations exhibit strengths across five areas: leadership, decision making and structure, people, work processes and systems, and culture. For an organization to achieve and sustain success, it needs to adapt to its dynamic environment. Evaluating and improving organizational effectiveness and efficiency is one strategy used to help insure the continued growth and development of an organization.

Organizational effectiveness measures the big-picture performance of a business, across a broad range of criteria. Financial performance, long-term planning, internal structure, and adherence to core values may all be critical components in understanding organizational effectiveness.

To get a clear idea of an organization's effectiveness, it is important to create a clear list of criteria to assess. No two organizations will have the same list of criteria, which is why many for-profit and non-profit groups measure effectiveness through self-assessment. Employees and company personnel are often in the best position to intimately understand the needs, goals, and performance of their company. Self-assessment of effectiveness can also help company personnel reconnect with the initial mission of an organization. By working creatively to invent new business strategies for areas of ineffectiveness, workers may develop a stronger sense of loyalty, purpose, and dedication to the job.

## Organization Culture

**Organizational culture** is a system of shared assumptions, values, and beliefs, which governs how people behave in organizations. These shared values have a strong influence on the people in the organization and dictate how they dress, act, and perform their jobs. Every organization develops and maintains a unique culture, which provides guidelines and boundaries for the behavior of the members of the organization. Let's explore what elements make up an organization's culture.

Organizational culture is composed of seven characteristics that range in priority from high to low. Every organization has a distinct value for each of these characteristics, which, when combined, defines the organization's unique culture. Members of organizations make judgments on the value their organization places on these characteristics and then adjust their behavior to match this perceived set of values. Let's examine each of these seven characteristics.

### Characteristics of Organizational Culture

The **prominent characteristics of organizational culture** are:

- 1 Innovation** (Risk Orientation) - Companies with cultures that place a high value on innovation encourage their employees to take risks and innovate in the performance of their jobs. Companies with cultures that place a low value on innovation expect their employees to do their jobs the same way that they have been trained to do them, without looking for ways to improve their performance.
- 2 Attention to Detail** (Precision Orientation) - This characteristic of organizational culture dictates the degree to which employees are expected to be accurate in their work. A culture that places a high value on attention to detail expects their employees to perform their work with precision. A culture that places a low value on this characteristic does not.
- 3 Emphasis on Outcome** (Achievement Orientation) - Companies that focus on results, but not on how the results are achieved, place a high emphasis on this value of organizational culture. A company that instructs its sales force to do whatever it takes to get sales orders has a culture that places a high value on the emphasis on outcome characteristic.
- 4 Emphasis on People** (Fairness Orientation) - Companies that place a high value on this characteristic of organizational culture place a great deal of importance on how their decisions will affect the people in their organizations. For these companies, it is important to treat their employees with respect and dignity.
- 5 Teamwork** (Collaboration Orientation) - Companies that organize work activities around teams instead of individuals place a high value on this characteristic of organizational culture. People who work for these types of companies tend to have a positive relationship with their coworkers and managers.

- 6 **Aggressiveness:** It can be described as the degree or extent to which people are aggressive or competitive rather than unconcerned or relaxed.
- 7 **Stability:** It can be described as the degree or extent to which maintaining status quo is emphasized in contrast to growth.
- 8 **Individual Autonomy:** It can be described as the degree or extent of responsibility, independence, and opportunities for exercising initiative that individuals in an organisation have.
- 9 **Structure:** It can be described as the degree or extent of rules and regulations and the amount of direct supervision that is used to supervise and control behaviour.
- 10 **Support:** It can be described as the degree or extent of assistance and warmth managers provide for their subordinates.
- 11 **Identity:** It can be described as the degree or extent to which members identify with the organization as a whole rather than with their particular work group or field of professional expertise.
- 12 **Performance-Reward:** It can be described as the degree or extent to which reward in the organization are based on employee work performance.
- 13 **Conflict Tolerance:** It can be described as the degree or extent of conflict present in relationships between peers and work groups as well as the motivation to be honest and open about differences.
- 14 **Attitude towards Change:** It can be described as the response given to new methods, ways, and values.
- 15 **Focus:** It can be described as the vision of the goals and objectives of an organization's operations as communicated by those in control.
- 16 **Standard and Values:** The levels of performance and behavior considered to be acceptable by both types of criteria – formal and informal.
- 17 **Rituals:** It can be described as the expressive events that support and reinforce organizational standards and values.

- 18 **Openness, Communication, and Supervision:** It can be described as the amount and type of interchange permitted. The communication flow can be downward, upward, across the organization, and in other directions as spelled out by the culture.
- 19 **Market and Customer Orientation:** It can be described as the degree or extent to which the organization is responsive to its markets and customers.
- 20 **Excitement, Pride, and esprit de corps:** It can be described as a perceptibly good feeling about the organization and its activities.
- 21 **Commitment:** It can be described as the degree or extent to which individuals are willingly working towards goals on a long-lasting basis.

## **POWER**

Max Weber: "The probability that one actor within a social relationship will be in a position to carry out his own will despite resistance."

Pfeffer: "The potential ability to influence behavior, to change the course of events, to overcome resistance, and to get people to do things that they would not otherwise do."

### **Difference between Power and Authority**

Power and authority are separate but related concepts. A manager in an organization has authority if he or she has the right to direct the activities of others and expect them to respond with appropriate actions to attain organizational purposes. Authority most often comes from the duties and responsibilities delegated to a position holder in a bureaucratic structure. A company president can order a product design change, for instance, or a police officer has the authority to arrest an offender of the law.

Power is the possession of authority, control, or influence by which a person influences the actions of others, either by direct authority or by some other, more intangible means. A prime source of power is the possession of knowledge. A person with knowledge is oftentimes able to use that knowledge to directly or indirectly influence the actions of others. The authority of knowledge is often independent of levels or positions. Power can reinforce authority, and authority is one of the primary sources of power.

### **Types of power:**

#### **1. Legitimate power**

Legitimate power also known as position power or official power comes to the leader when the organization's authority is accepted. It comes from the rules of the organization. It gives leaders the power to control resources and to reward and punish others.

People accept this power because they believe that it is desirable and necessary to maintain order and discipline in a society. For example, parents, teachers, managers, police etc. have legitimate power only when their authority is accepted in the positions they hold.

## **2. Charismatic power**

Charismatic power or power of personality comes from each leader individually. This is the power of attraction or devotion, the desire of one person to admire another.

The leaders have a personal magnetism, an air of confidence and a belief in objectives that attracts and holds followers. People follow because their emotions tell them to do so. A subordinate feels a positive attraction towards a leader by identifying himself with the leader. This power helps the subordinate to understand and value the leader so much that he understands and acts according to the expectations of the leader.

It helps him act as his own boss and behave in ways he thinks the boss will want. Joan of Arc in France, Mahatma Gandhi and Netaji Subhas in India are historical examples of charismatic leaders.

## **3. Expert power**

Expert power also known as the authority of knowledge comes from specialized learning. This is the power of knowledge and skill of a special kind that are important in getting the job done. A person's professional competence or knowledge gives him expert power. His credibility increases. He can lead other persons to trust his judgments and decisions.

## **4. Reward power**

Reward power comes from authority. This arises from the ability to reward worthy behaviour. The leader has the power to give tangible rewards such as promotion, time off from work and attractive work assignments to the subordinate.

Also psychological rewards like praise, appreciation, approval and recognition can be given by the leader to the subordinate. The subordinate has to believe that he has access to higher authorities and therefore he can give rewards. This reward power can also increase the leader's charismatic and legitimate power.

## **5. Coercive power**

This power comes from authority. It is the ability to threaten or punish. The leader can give tangible punishments like dismissal, demotion, low rating etc. Psychological punishments include criticism, avoidance, disapproval, satirical remarks to the subordinate.

The reward power helps to avoid something undesirable. Self-esteem of the subordinate increases because of reward power and decreases because of punishment or coercive power.

## **6. Political power**

This power comes from the support of a group. It arises from a leader's ability to work with people and social systems to gain their allegiance and support. It develops in all organizations.

There are a number of tactics that leaders can use to gain political power. One such tactic is social exchange which implies, 'If you do something for me, I will do something for you.'

It relies on the norm of reciprocity in society where two persons in a continuing relationship feel a strong obligation to repay their social debts to each other. When these trade-offs are successful, both parties get something they want. Another way to acquire political power is to give selective service to supporters.

To relate political power with the path-goal model, a leader should work in collaboration with employees to help them see and obtain objectives that support the overall vision of the organization.

## **CONCEPT OF POLITICS IN ORGANIZATION**

Workplace politics is the process and behavior in human interactions involving power and authority. It is also a tool to assess the operational capacity and to balance diverse views of interested parties. It is also known as office politics and organizational politics. It is the use of power and social networking within an organization to achieve changes that benefit the organization or individuals within it. Influence by individuals may serve personal interests without regard to their effect on the organization itself. Some of the personal advantages may include access to tangible assets, or intangible benefits such as status or pseudo-authority that influences the behavior of others. On the other hand, organizational politics can increase efficiency, form interpersonal relationships, expedite change, and profit the organization and its members simultaneously.

### **Characteristics of Political Behavior in Organizations**

The following are the characteristics of political behavior in organization :

1. It is outside one's job requirements.
2. It is an attempt to influence decision-making process.
3. It may involve give-and-take strategy.
4. It is usually devoid of morality and ethics.

### **Political strategies**

1. **Impression Management:** An attempt is made to create an impression that everything is good because of us and anything wrong has nothing to do with us.
2. Extra role relationship : Flattery, creating goodwill and being overtly friendly are some of the tactics through which political behavior is promoted.
3. Coalition : Like-minded people come together and promote a particular cause which is essentially political in nature.
4. Bargaining : Bargaining, negotiations etc. are used to get extra benefits which are normally not available.

## **Factors influencing Political Behavior in the Organization**

**Individual Factors:** There are individual factors where individuals play politics to satisfy their personal needs. These personal or individuals needs are like to gain power for control and to influence decision-making process of the organization. The aim of such individuals is to increase the area of their influence. They try to sustain power as it helps to obtain personal needs and fulfill desires. In organizations, individuals play politics as they have great desire and high need of gaining power. Such types of individuals are basically internals and self monitored people. There are many individuals who play politics because of their expectation of quick success in life at any cost.

**Organizational Factors:** There are some of the organizational factors that influence the individuals to play politics in the organizations. These factors are as follows:-

**1. Limited Resources in the organization:** - When there are limited resources in the organization then every individual in the organization wants to have optimum resources. It results in making individuals getting engaged themselves in politics to get the maximum advantage of the distribution of resources.

**2. Interpretation of limited resources:** - The interpretation of limited resources like position, power, promotion etc in the organization makes individuals engage in the politics. The individual who craves for such resources feels that they may be deprived of such resources in the process of distribution of resources and so they play politics in the organization.

**3. Uncertainty in decision-making:** - There are some individuals who take advantage of the situation where there is uncertainty and ambiguity in decision-making because of unclear rules and policies.

**4. Performance evaluation:** - The individuals tend to play politics in the organization when performance evaluation and its outcome are subjective, qualitative and unclear.

**5. High Performance pressure:** - The individuals play politics when they are enforced with high performance pressure. The politics playing in the organization becomes measure to pressurize authority to withdraw control and lower the performance target.

**6. Decision-making culture:** - Democratic and participative decision-making culture of the organization is also liable to organizational politics as every individual wants to enhance his/ her importance and thereafter give opinion on crucial and important matters.

**7. Affecting lower level persons:** - The lower level persons get affected when they experience persons at higher level playing politics.

## **QUALITY OF WORK LIFE**

Quality of work life (QWL) refers to the favorableness or unfavorableness of a job environment for the people working in an organization. The period of scientific management which focused solely on specialization and efficiency, has undergone a revolutionary change.

The traditional management (like scientific management) gave inadequate attention to human values. In the present scenario, needs and aspirations of the employees are changing. Employers are now redesigning jobs for better QWL.

### **Principles of QWL**

According to N.Q Heerick and M. Maccoby, there are four basic principles for humanizing work and improving QWL:

- 1. Principle of Democracy :** According to this principle, the greater authority and responsibility should be provided to the employees. This is because the meaningful participation in decision-making process improves the QWL.
- 2. Principle of individualism :** This principle states that employees should be able to decide their own pace of activities and design of their work operation. In this way, every individual will get the opportunity for development of his personality and potential.
- 3. Principle of equity :** According to this principle, there should be no biases and partiality at any stage of work. It means that every type of discrimination between employees performing similar work and same level of performance should be eliminated.
- 4. Principle of security :** This principle states that employees should be provided with job security and they should be relieved of the risk of loss of employment.

### **How to improve QWL?**

There are the following ways to improve quality of work life in an organization:

#### **1. Recognition of work life issues:**

Issues related to work life should be addressed by the Board and other important officials of the company like why people are not happy, do they need training, why employee morale is poor and numerous other issues. If these are addressed properly, they will be able to build, "People-Centred Organizations".

#### **2. Commitment to improvement:**

QWL can be improved if the staff is committed to improvement in productivity and performance. This issue can be taken by the board through staff recognition and support programmes. Board should prepare QWL reports on periodic basis to boost the system. They can also introduce reward system which will be of help to them.

### **3. Quality of work life teams:**

Board members should form the combined team of managers and workers and all the issues and common themes must be identified.

Work Life Teams = Managers + Staff

All issues must be addressed like loss of morale, lack of trust, increased intensity of work, reward, recognition etc. and commonly, managers and staff should arrive at solutions.

### **4. Training to facilitators:**

Both the leader and staff can assess the job requirement and decide jointly what type of training is required to improve the quality of work life

### **5. Conduct focus groups:**

**Formation of focus groups can affect the QWL and discuss the questions in a positive way like:**

- (a) What brought you here today?
- (b) What do you feel are the top three issues that affect your quality of work life?
- (c) What do you want the organization should do for you?
- (d) Do you want company to increase the salary, etc.

### **6. Analyze information from focus group:**

After the formation of focus groups and their discussion on different issues and collection of information, the information should be analyzed to give right direction to organizational activities.

### **7. Identify and implement improvement opportunities:**

It is important to identify and implement improvement opportunities like communication, recognition and non-monetary compensation. Improving support structure, constant review of reward and recognition system etc. would help in formulating communication strategies, focusing on linkages between managers and staff.

### **8. Flexible work hours:**

The diverse work force of today does not want to work for fixed hours or days. They want flexibility in their work schedule so that professional and personal life can be managed together.

### **Flexibility can improve the QWL in the following ways:**

- i. Work for longer hours in a day with less number of working days in a week.
- ii. Going to office for fixed hours but in different time slots rather than fixed working hours. Many companies even provide the flexibility of work from home.

### **9. Autonomy to work:**

Delegation is an essential element of organization structure. People want freedom to work in their own way, in terms of forming teams and making decisions. If they are allowed to do so, it

enhances the QWL. An organization with high quality of work life is “an organization that promotes and maintains a work environment that results in excellence in everything it does – by ensuring open communication, respect, recognition, trust, support, well being and satisfaction of its members, both, personally and professionally”.

## ORGANISATIONAL BEHAVIOUR

### **The Meaning of Organizational Behavior**

Organizational behavior (OB) is the study of human behavior in organizational settings, how human behavior interacts with the organization, and the organization itself. Although we can focus on any one of these three areas independently, we must remember that all three are ultimately connected and necessary for a comprehensive understanding of organizational behavior. For example, we can study individual behavior (such as the behavior of a company's CEO or of one of its employees) without explicitly considering the organization. But because the organization influences and is influenced by the individual, we cannot fully understand the individual's behavior without knowing something about the organization. Similarly, we can study an organization without focusing specifically on each individual within it. But again, we are looking at only one piece of the puzzle. Eventually, we must consider the other pieces to understand the whole.

### **DEFINITIONS**

**“Organizational behaviour is a field of study that investigates the impact that individuals, groups and organizational structure have on behaviour within the organization, for the purpose of applying such knowledge towards improving an organizational effectiveness”.**

The above definition has three main elements; **first** organizational behaviour is an investigative study of individuals and groups, **second**, the impact of organizational structure on human behaviour and the **third**, the application of knowledge to achieve organizational effectiveness. These factors are interactive in nature and the impact of such behaviour is applied to various systems so that the goals are achieved. The nature of study of organizational behaviour is investigative to establish cause and affect relationship.

OB involves integration of studies undertaken relating to behavioural sciences like psychology, sociology, anthropology, economics, social psychology and political science. Therefore, organizational behaviour is a comprehensive field of study in which individual, group and organizational structure is studied in relation to organizational growth and organizational culture, in an environment where impact of modern technology is great. The aim of the study is to ensure that the human behaviour contributes towards growth of the organization and greater efficiency is achieved.

Organizational behaviour can be defined as – **“the study and application of knowledge about human behaviour related to other elements of an organization such as structure, technology and social systems (LM Prasad).** Stephen P Robins defines **“Organizational behaviour as a systematic study of the actions and attitudes that people exhibit within organizations.”** It has been observed that we generally form our opinion based on the symptoms of an issue and do not really go to the root cause of the happening. Science of organizational behaviour is applied in nature.

## **Contributing Fields to Organizational Behaviour**

**Psychology:** Psychology is an applied science, which attempts to explain human behavior in a particular situation and predicts actions of individuals. Psychologists have been able to modify individual behaviour largely with the help of various studies. It has contributed towards various theories on learning, motivation, personality, training and development, theories on individual decision making, leadership, job satisfaction, performance appraisal, attitude, ego state, job design, work stress and conflict management. Studies of these theories can improve personal skills, bring change in attitude and develop positive approach to organizational systems. Various psychological tests are conducted in the organizations for selection of employees, measuring personality attributes and aptitude. Various other dimensions of human personality are also measured. These instruments are scientific in nature and have been finalized after a great deal of research. Field of psychology continues to explore new areas applicable to the field of organizational behaviour. Contribution of psychology has enriched the organizational behaviour field.

**Sociology:** Science of Sociology studies the impact of culture on group behaviour and has contributed to a large extent to the field of group-dynamics, roles that individual plays in the organization, communication, norms, status, power, conflict management, formal organization theory, group processes and group decision-making.

**Political science:** Political science has contributed to the field of Organizational behaviour. Stability of government at national level is one major factor for promotion of international business, financial investments, expansion and employment. Various government rules and regulations play a very decisive role in growth of the organization. All organizations have to abide by the rules of the government of the day.

**Social psychology:** Working organizations are formal assembly of people who are assigned specific jobs and play a vital role in formulating human behaviour. It is a subject where concept of psychology and sociology are blend to achieve better human behaviour in organization. The field has contributed to manage change, group decision-making, communication and ability of people in the organization, to maintain social norms.

**Anthropology:** It is a field of study relating to human activities in various cultural and environmental frameworks. It understands difference in behaviour based on value system of different cultures of various countries. The study is more relevant to organizational behaviour today due to globalization, mergers and acquisitions of various industries. The advent of the 21st century has created a situation wherein cross-cultural people will have to work in one particular industry. Managers will have to deal with individuals and groups belonging to different ethnic cultures and exercise adequate control or even channelize behaviour in the desired direction by appropriately manipulating various cultural factors.

## **NATURE OF ORGANIZATIONAL BEHAVIOUR**

### **A Separate Field of Study**

Organizational behaviour can be treated as a distinct field of study. It is yet to become a science. Now efforts are being made to synthesize principles, concepts and processes in this field of study.

### **Interdisciplinary Approach**

Organizational behaviour is basically an interdisciplinary approach. It draws heavily from other disciplines like psychology, sociology and anthropology. Besides, it also takes relevant things from economics, political science, law and history. Organizational behaviour integrates the relevant contents of these disciplines to make them applicable for organizational analysis. e.g. it addresses issues, which may be relevant to the case.

### **An Applied Science**

The basic objective of organizational behaviour is to make application of various researches to solve the organizational problems, particularly related to the human behavioral aspect.

### **Normative and Value Centered**

Organizational behaviour is a normative science. A normative science prescribes how the various findings of researches can be applied to get organizational results, which are acceptable to the society. Thus, what is acceptable by the society or individuals engaged in an organization is a matter of values of the society and people concerned.

### **Humanistic and Optimistic**

Organizational behaviour focuses the attention on people from humanistic point of view. It is based on the belief that needs and motivation of people are of high concern. Further, there is optimism about the innate potential of man to be independent, creative, predictive and capable of contributing positively to the objectives of the organization.

### **Oriented towards Organizational Objectives**

Organizational behaviour is oriented towards organizational objectives. In fact, organizational behaviour tries to integrate both individual and organizational objectives so that both are achieved simultaneously.

### **A Total System Approach**

An individual's behaviour can be analyzed keeping in view his psychological framework, interpersonal-orientation, group influence and social and cultural factors; Thus, individual's

nature is quite complex and organizational behaviour by applying systems approach tries to find solutions for this complexity.

## **LEVELS OF ANALYSIS**

Organisational behaviour can be viewed from different perspectives or levels of analysis. At one level, the organisation can be viewed as consisting of individuals working on tasks in the pursuit of the organisational goals. A second level of analysis focuses upon the interaction among organisational members as they work in teams, groups and departments. Finally, organisational behaviour can be analysed from the perspective of the organisation as a whole.

- **Organisation at the Individual Level:**Organisational behaviour can be studied in the perspective of individual members of the organisation. This approach to organisational behaviour draws heavily on the discipline of psychology and explains why individuals behave and react the way they do to different organisational policies, practices and procedures. Within this perspective, psychologically based theories of learning, motivation, satisfaction and leadership are brought to bear upon the behaviour and performance of individual members of an organisation. Factors such as attitudes, beliefs, perceptions and personalities are taken into account and their impact upon individuals' behaviour and performance on the job is studied.
- **Organisation at the Group Level:**People rarely work independently in organisations; they have to necessarily work in coordination to meet the organisational goals. This frequently results in people working together in teams, committees and groups. How do people work together in groups? What factors determine whether group will be cohesive and productive? What types of tasks could be assigned to groups? These are some of the questions that can be asked about the effective functioning of groups in organisations. An important component of organisational behaviour involves the application of knowledge and theories from social psychology to the study of groups in organisations.
- **Organisation at the Organisational Level:**Some organisational behaviour researchers take the organisation as a whole as their object of study. This macro perspective on organisational behaviour draws heavily on theories and concepts from the discipline of 'sociology'. Researchers seek to understand the implications of the relationship between the organisation and its environment for the effectiveness of the organisation. Emphasis is placed upon understanding how organisational structure and design influences the effectiveness of an organisation. Other factors such as the technology employed by the organisation, the size of the organisation and the organisation's age are also examined and their implications for effective organisational functioning are explored.
- **External environment:**
- **Organizational change and development:**

# Fundamental Concepts of Organizational Behavior

In every field of social science, or even physical science, has a philosophical foundation of basic concepts that guide its development. There are some certain philosophical concepts in organizational behavior also. The concepts are-

## NATURE OF PEOPLE

**Individual differences:** Every individual in the world is different from others. This idea is supported by science. Each person is different from all others, probably in million ways, just as each persons DNA profile is different. The idea of individual difference comes originally from psychology. From the day of birth, each person is unique, and individual experiences after birth tend to make people even more different.

**Perception:** Peoples perceptions are also differ when they see an object. Two people can differently present a same object. And this is occurring for their experiences. A person always organizes and interprets what he sees according to his lifetime of experience and accumulated value. Employees also see work differently for differ in their personalities, needs, demographics factors, past experiences and social surrounding.

**A whole person:** An employee's personal life is not detached from his working life. As an example, A women who attend the office at 8:30 AM is always anxious for her children's school time (if her children able to attend the school or not). As a result, its impact falls on her concentration that means her working life. For this reason, we cannot separate it. So manager should treat an employee as a whole person.

**Motivated behavior:** An employee has so many needs inside him. So, they want to fulfill those needs. That's why; they had to perform well in the organization. Some motivations are needed to enrich the quality of work. A path toward increased need fulfillment is the better way of enriches the quality of work.

**Desire for involvement:** Every employee is actively seeking opportunities at work to involve in decision-making problems. They hunger for the chance to share what they know and to learn from the experience. So, organization should provide them a chance to express their opinions, ideas and suggestion for decision-making problem. A meaningful involvement can bring mutual benefit for both parties.

**Value of the person:** An employee wants to be treated separately from other factor of production (land, capital, labor). They refuse to accept the old idea that they are simply treated as economic tools because they are best creation of almighty. For this reason, they want to be treated with carrying respect, dignity and other things from their employers and society.

## NATURE OF ORGANISATION

**Social Systems:** Organizations are social systems and governed by social and psychological laws. They have social roles and status. Their behavior influenced by their group's individual drives. Organization environment in a social system is dynamic. All parts of the system are interdependent.

**Mutual interest:** In order to develop the organization behavior mutually of interest organizations and people is necessary. Organizations need people and people in turn need organizations. People satisfy their needs through organization and organization accomplish their goal through people.

**Ethics:** In order to attract and retain valuable employees in an era in which good workers are constantly required away, ethical treatment is necessary. To succeed, organization must treat employees in an ethical fashion. Every Company is required to establish codes of ethics, publicized statements of ethical values, provided ethics training, rewarded employees for notable ethical behavior, publicized positive role models, and set up internal procedures to handle misconduct.

## **Goals of Organizational Behavior**

There are some goals of organizational behavior which are as follows:

**Describe:** The first goal is to describe, systematically how people behave under a variety of conditions. Achieving this goal allows managers to communicate about human behavior at work using a common language.

**Understand:** A second goal is to understand any people behave as they do. The managers would be frustrated if they could talk about behavior of their employees, but not understand the reasons behind those actions.

**Predict:** The managers would have capacity to predict which employees might be dedicated and productive or which ones might have absent, cause problem. And thus the managers could take preventive actions.

**Control:** The final goal of OB is to control and develop some human activity at work. Since managers are held responsible for performance outcome, they are vitally interested in being able to make an impact on employee behavior, skill development, team effort, and productivity. Managers need to be able to improve results through the actions they and their employees take, and organizational behavior can aid them in their pursuit of this goal.

## **Models of Organizational Behavior**

### **Autocratic Model**

The autocratic model depends on power. Those who are in command must have the power to demand “you do this-or else,” meaning that an employee who does not follow orders will be penalized. In an autocratic environment the managerial orientation is formal, official authority. This authority is delegated by right of command over the people to it applies. Under autocratic environment the employee is obedience to a boss, not respect for a manager. The psychological result for employees is dependence on their boss, whose power to hire, fire, and “perspire” them is almost absolute.

The boss pays minimum wages because minimum performance is given by employees. They are willing to give minimum performance-though sometimes reluctantly-because they must satisfy subsistence needs for themselves and their families. Some employees give higher performance

because of internal achievement drives, because they personally like their boss, because the boss is “a natural-born leader,” or because of some other factor; but most of them give only minimum performance.

### **The Custodial Model**

A successful custodial approach depends on economic resources. The resulting managerial orientation is toward money to pay wages and benefits. Since employees’ physical needs are already reasonably met, the employer looks to security needs as a motivating force. If an organization does not have the wealth to provide pensions and pay other benefits, it cannot follow a custodial approach. The custodial approach leads to employee dependence on the organization. Rather than being dependence on their boss for their weekly bread, employees now depend on organizations for their security and welfare.

Employees working in a custodial environment become psychologically preoccupied with their economic rewards and benefits.

As a result of their treatment, they are well maintained and contented. However, contentment does not necessarily produce strong motivation; it may produce only passive cooperation. The result tends to be those employees do not perform much more effectively than under the old autocratic approach.

### **The Supportive Model**

The supportive model depends on leadership instead of power or money. Through leadership, management provides a climate to help employees grow and accomplish in the interests of the organization the things of which they are capable. The leader assumes that workers are not by nature passive and resistant to organizational needs, but that they are made so by an inadequately supportive climate at work. They will take responsibility, develop a drive to contribute, and improve them if management will give them a chance. Management orientation, therefore, is to support the employee’s job performance rather than to simply support employee benefit payments as in the custodial approach.

Since management supports employees in their work, the psychological result is a feeling of participation and task involvement in the organization. Employee may say “we” instead of “they” when referring to their organization. Employees are more strongly motivated than by earlier models because of their status and recognition needs are better met. Thus they have awakened drives for work.

### **The Collegial Model**

A useful extension of the supportive model is the collegial model. The term “collegial” relates to a body of people working together cooperatively. The collegial model depends on management’s building a feeling of partnership with employees. The result is that employees feel needed and useful. They feel that managers are contributing also, so it is easy to accept and respect their roles in their organization. Managers are seen as joint contributors rather than as bosses.

The managerial orientation is toward teamwork. Management is the coach that builds a better team. The employee’s response to this situation is responsibility. For example employees produce quality work not because management tells them to do so or because the inspector will catch them if they do not, but because they feel inside themselves an obligation to provide others

with high quality. They also feel an obligation to uphold quality standards that will bring credit to their jobs and company.

The psychological result of the collegial approach for the employee is self-discipline. Feeling responsible, employees discipline themselves for performance on the team in the same way that the members of a football team discipline themselves to training standards and the rules of the game. In this kind of environment employees normally feel some degree of fulfillment, worthwhile contribution, and self-actualization, even though the amount may be modest in some situation. This self-actualization will lead to moderate enthusiasm in performance.

## System model

The final organisational model is referred to as the system model.

This is the most contemporary model of the five models. In the system model, the organisation looks at the overall structure and team environment, and considers that individuals have different goals, talents and potential.

The intent of the system model is to try and balance the goals of the individual with the goals of the organisation.

Individuals obviously want good remuneration, job security, but also want to work in a positive work environment where the organisation adds value to the community and/or its customers.

The system of model should be an overall partnership of managers and employees with a common goal, and where everybody feels that they have a stake in the organisation.

Models of Organizational Behavior

### 5 Models of Organizational behavior

	Autocratic	Custodial	Supportive	Collegial	System
Basis of model	Power	Economic resources	Leadership	Partnership	Trust, community, meaning
Managerial orientation	Authority	Money	Support	Teamwork	Caring, compassion
Employee orientation	Obedience	Security and benefits	Job performance	Responsible behavior	Psychological ownership
Employee psychological result	Dependence on boss	Dependence on organization	Participation	Self-discipline	Self-motivation
Employee needs met	Subsistence	Security	Status and recognition	Self-actualization	Wide range
Performance result	Minimum	Passive cooperation	Awakened drives	Moderate enthusiasm	Passion and commitment to organizational goals

It is wrong to assume that a particular model is the best model. This is because a model depends on the knowledge about human behaviour in a particular environment, which is unpredictable. The primary challenge for management is to identify the model it is actually using and then assess its current effectiveness. The selection of model by a manager is determined by a number of factors such as, the existing philosophy, vision and goals of manager. In addition, environmental conditions help in determining which model will be the most effective model.

## **Challenges and Opportunities of Organizational Behaviour**

Challenges and opportunities of organizational behavior are massive and rapidly changing for improving productivity and meeting business goals.

Although the problems with organizations and the solutions over the ages have not really changed, the emphasis and surrounding environmental context certainly have changed.

Although the resulting lean and mean organizations offered some short-run benefits in terms of lowered costs and improved productivity, if they continued to do business, as usual, they would not be able to meet current or future challenges.

Main challenges and opportunities of organizational behavior are;

1. Improving Peoples' Skills.
2. Improving Quality and Productivity.
3. Total Quality Management (TQM).
4. Managing Workforce Diversity.
5. Responding to Globalization.
6. Empowering People.
7. Coping with Temporariness.
8. Stimulating Innovation and Change.
9. Emergence of E-Organisation & E-Commerce.
10. Improving Ethical Behavior.
11. Improving Customer Service.
12. Helping Employees Balance Work-Life Conflicts.

## **Improving People's Skills**

Technological changes, structural changes, environmental changes are accelerated at a faster rate in the business field.

Unless employees and executives are equipped to possess the required skills to adapt to those changes, the targeted goals cannot be achieved in time.

These two different categories of skills – managerial skills and technical skills.

Some of the managerial skills include listening skills, motivating skills, planning and organizing skills, leading skills, problem-solving skill, decision-making skills.

These skills can be enhanced by organizing a series of training and development programs, career development programs, induction, and socialization.

## **Improving Quality and Productivity**

Quality is the extent to which the customers or users believe the product or service surpasses their needs and expectations.

For example, a customer who purchases an automobile has a certain expectation, one of which is that the automobile engine will start when it is turned on.

If the engine fails to start, the customer's expectations will not have been met and the customer will perceive the quality of the car as poor.

More and more managers are confronting to meet the challenges to fulfill the specific requirements of customers.

In order to improve quality and productivity, they are implementing programs like total quality management and reengineering programs that require extensive employee involvement.

## **Total Quality Management (TQM)**

Total Quality Management (TQM) is a philosophy of management that is driven by the constant attainment of customer satisfaction through the continuous improvement of all organizational process.

The components of TQM are;

- (a) An intense focus on the customer,
- (b) Concern for continual improvement,
- (c) Improvement in the quality of everything the organization does,
- (d) Accurate measurement and,
- (e) Empowerment of employees.

## **Managing Workforce Diversity**

This refers to employing different categories of employees who are heterogeneous in terms of gender, race, ethnicity, relation, community, physically disadvantaged, elderly people, etc.

The primary reason to employ heterogeneous category of employees is to tap the talents and potentialities, harnessing the innovativeness, obtaining synergetic effect among the diverse workforce.

In general, employees wanted to retain their individual and cultural identity, values and lifestyles even though they are working in the same organization with common rules and regulations.

The major challenge for organizations is to become more accommodating to diverse groups of people by addressing their different lifestyles, family needs, and work styles.

## **Responding to Globalization**

Today's business is mostly market-driven; wherever the demands exist irrespective of distance, locations, climatic conditions, the business operations are expanded to gain their market share and to remain in the top rank, etc. Business operations are no longer restricted to a particular locality or region.

Company's products or services are spreading across the nations using mass communication, the internet, faster transportation, etc.

More than 95% of Nokia (Now Microsoft) handphones are being sold outside of their home country Finland.

Japanese cars are being sold in different parts of the globe. Sri Lankan tea is exported to many cities around the globe.

Garment products of Bangladesh are exporting in USA and EU countries. Executives of Multinational Corporation are very mobile and move from one subsidiary to another more frequently.

## **Empowering People**

The main issue is delegating more power and responsibility to the lower level cadre of employees and assigning more freedom to make choices about their schedules, operations, procedures and the method of solving their work-related problems.

Encouraging the employees to participate in the work-related decision will sizably enhance their commitment to work.

Empowerment is defined as putting employees in charge of what they do by eliciting some sort of ownership in them.

Managers are doing considerably further by allowing employees full control of their work.

Movement implies constant change an increasing number of organizations are using self-managed teams, where workers operate largely without a boss.

Due to the implementation of empowerment concepts across all the levels, the relationship between managers and the employees is reshaped.

Managers will act as coaches, advisors, sponsors, facilitators and help their subordinates to do their task with minimal guidance.

## **Coping with Temporariness**

In recent times, the product life cycles are slimming, the methods of operations are improving, and fashions are changing very fast. In those days, the managers needed to introduce major change programs once or twice a decade.

Today, change is an ongoing activity for most managers.

The concept of continuous improvement implies constant change.

In yesteryears, there used to be a long period of stability and occasionally interrupted by a short period of change, but at present, the change process is an ongoing activity due to competitiveness in developing new products and services with better features.

Everyone in the organization faces today is one of permanent temporariness. The actual jobs that workers perform are in a permanent state of flux.

So, workers need to continually update their knowledge and skills to perform new job requirements.

## **Stimulating Innovation and Change**

Today's successful organizations must foster innovation and be proficient in the art of change; otherwise, they will become candidates for extinction in due course of time and vanished from their field of business.

Victory will go to those organizations that maintain flexibility, continually improve their quality, and beat the competition to the market place with a constant stream of innovative products and services.

For example, Compaq succeeded by creating more powerful personal computers for the same or less money than EBNM or Apple, and by putting their products to market quicker than the bigger competitors.

[Amazon.com's Kindle, Audible, and bookstore services](#) putting a lot of independent bookstores and publishers out of business as it proves you can successfully sell books from an Internet website.

## **Emergence of E-Organisation & E-Commerce**

It refers to the business operations involving the electronic mode of transactions. It encompasses presenting products on websites and filling the order.

The vast majority of articles and media attention given to using the Internet in business are directed at online shopping.

In this process, the marketing and selling of goods and services are being carried out over the Internet.

In e-commerce, the following activities are being taken place quite often – the tremendous numbers of people who are shopping on the Internet, business houses are setting up websites where they can sell goods, conducting the following transactions such as getting paid and fulfilling orders.

It is a dramatic change in the way a company relates to its customers. At present e-commerce is exploding. Globally, e-commerce spending was increasing at a tremendous rate.

## Improving Ethical Behavior

The complexity in business operations is forcing the workforce to face ethical dilemmas, where they are required to define right and wrong conduct in order to complete their assigned activities.

For example,

- Should the employees of a chemical company blow the whistle if they uncover the discharging its untreated effluents into the river are polluting its water resources?
- Do managers give an inflated performance evaluation to an employee they like, knowing that such an evaluation could save that employee's job?

The ground rules governing the constituents of good ethical behavior has not been clearly defined, Differentiating right things from wrong behavior has become more blurred.

Following unethical practices have become a common practice such as successful executives who use insider information for personal financial gain, employees in competitor business participating in massive cover-ups of defective products, etc.

## Improving Customer Service

OB can contribute to improving organizational performance by showing that how employees' attitude and behavior are associated with customer satisfaction.

In that case, service should be the first production-oriented by using technological opportunities like a computer, the internet, etc.

To improve the customer service need to provide sales service and also the after-sales service.

## Helping Employees Balance Work-Life Conflicts

The typical employee in the 1960s or 1970s showed up at the workplace Monday through Friday and did his or her job 8 or 9-hour chunk of time.

The workplace and hours were clearly specified. That's no longer true for a large segment of today's workforce.

Employees are increasingly complaining that the line between work and non-work time has become blurred, creating personal conflict and stress.

A number of forces have contributed to blurring the lines between employees' work life and personal life.

**First**, the creation of global organizations means their world never sleeps. At any time and on any day, for instance, thousands of General Electric employees are working somewhere.

**Second**, communication technology allows employees to do their work at home, in their cars, or on the beach in Cox's Bazar.

This lets many people in technical and professional jobs do their work anytime and from any place.

**Third**, organizations are asking employees to put in longer hours.

**Finally**, fewer families have only a single breadwinner. Today's married employee is typically part of a dual-career couple. This makes it increasingly difficult for married employees to find the time to fulfill commitments to home, spouse, children, parents, and friends.

Today's married employee is typically part of a dual-career couple.

This makes it increasingly difficult for married employees to find the time to fulfill commitments to home, spouse, children, parents, and friends.

Employees are increasingly recognizing that work is squeezing out personal lives and they're not happy about it.

For example, recent studies suggest that employees want jobs that give them flexibility in their work schedules so they can better manage work/life conflicts.

In addition, the next generation of employees is likely to show similar concerns.

A majority of college and university students say that attaining a balance between personal life and work is a primary career goal. They want a life as well as a job.

## **The Role of Culture And Diversity in Organizational Behavior**

Due to globalization, economic changes, and the ever-growing population, organizational behavior tends to reflect the culture and diversity present in society. Unless you work alone or with an isolated demographic of people, it's quite likely that you will encounter someone who has a different background and culture than you in the workplace. This can be a co-worker, business associate, or client. In any case, it carries the potential that it will play a role in the organizational behavior of your business.

### **Culture in Organizational Behavior**

Culture in organizational behavior tends to apply to two different areas: the culture of the staff, and the culture of the workplace. One does influence the other and both can be forces of change and momentum for the business.<sup>1</sup> For many years, culture did not hold the same value in the workplace that it does today. Experts who were researching organizational behavior in the 1980s began to notice that the culture backgrounds of the employees often impacted the culture of their work environment with successful outcomes, so long as the two were nourished and kept healthy.<sup>2</sup> They stressed the importance of culture in organizational behavior, claiming that its influence could prove wildly successful for businesses and companies that apply the concepts correctly. Since then, many businesses have taken this advice to heart and work to create a professional culture within their working environment that is as beneficial as possible to productivity and employees.

The presentation and establishment of culture in the workplace is not always in control of the management or the employees, as workplace culture tends to develop based on the factors present. In that regard, there is more value on directing existing culture in the workplace to foster

a positive impact than there is in creating the desired culture from scratch. The cultural traits of a business' staff members, customers, location, and the economy, amongst other factors, are going to impact the cultural atmosphere of the business whether management wants it to or not. Typically, management has control over the culture of the workplace through policies and documents like the company mission statement. These paradigms present as the roots of the business' office culture and shift the way the staff works together and individually in their tasks. Likewise, the and organizational structure of the business is going to set the business' culture as well since there is a division of power throughout its hierarchical setup.<sup>3</sup> The cultural backgrounds of those who carry power is going to impact their decision making for the business, which can shift its cultural dynamics any which way.

However, making changes to a business' organizational culture is no easy task. Change of any kind upsets the harmony of the business' environment, which can be reflected in the behavior of employees and in the quality of their work. Trying to make a major change in the culture of a company isn't necessarily going to be welcomed with open arms either. It disrupts routines and habits that the business has developed and the new rules that changes bring can be hard for employees to immediately follow without error. As much as management may want to make a drastic change or completely overhaul the culture of their business, it might not be a good idea to do it all at once. Their best bet is to make changes gradually to allow for adjustment and to give ample time for problems that arise to be handled. This means informing employees of what is going to happen in advance, updating material like the employee handbook, and encouraging feedback.

## **The Impact of Diversity**

Diversity is a word that gets tossed around in society without any real explanation as to what it is and what it can do for an environment. In short, diversity is defined as the different traits and backgrounds of the people present in a group.<sup>4</sup> This can apply to age, gender, educational background, religion, language and culture, political beliefs, socioeconomic status, and orientation. The diversity of a business' staff members will often depend on the business' location, size, and industry.

Managing diversity is going to be dependent on any of those factors, which means that businesses need to be able to handle things on a case by case basis. There are significant benefits and challenges to diversity in the workplace, and management needs to be trained properly in order to handle either.<sup>5</sup> When properly addressed, diversity does present some advantages for businesses:

- **Learning-**Diversity in any situation is a chance for others to learn about people who are different from themselves. In business, this can aid in the growth of individual employees and for the business as a whole by exposing them to new ideas and perspectives.<sup>6</sup> Interactions between co-workers of different backgrounds can help reduce prejudice and make it easier for them to work together.

□ **Experience and Knowledge**-The experiences a person has often are impacted by their background and cultural traits, which allows each employee to bring a unique set of skills and strengths into the business. Teams that have members with different skill sets tend to be able to combine their strengths to offset any weaknesses that prevent them from being efficient.

Together, this can boost their productivity and make them adaptable to changes.

□ **International Skills**-With globalization become an integral part of business, it's more important than ever for companies to be able to interact in the global market.<sup>7</sup> The diversity in a business may include employees who speak other languages and can work on customers and business partners directly. Diversity can also help when a company has multiple branches throughout the world, as the traits of an employee's cultural background can help them navigate in those locations.

□ **Reputation**-Since the diversity of the workforce is increasing, job seekers want to know that the businesses they are looking to work with can effectively handle issues of diversity. Employers who have a reputation for being fair to workers from all walks of life and having no tolerance for discrimination are far more appealing than employers who do not. It should be noted that those are also traits that other companies look for when they want to collaborate with another business, both locally and abroad.