



Organizational Behavior

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About the Tutorial

Organizational behavior is a combination of responses to external and internal stimuli by a person as an individual or as a part of a group. This is a brief introductory tutorial that explains the methodologies applied in the rapidly growing area of organizational behavior in an organization.

Audience

This tutorial will be useful for students from management streams who aspire to learn the basics of Organizational Behavior. Professionals, especially project managers, regardless of which sector or industry they belong to, can use this tutorial to learn how to apply the methods of Organizational Behavior in their respective project environments.

Prerequisites

The readers of this tutorial are expected to have a basic understanding of how a project manager would deal with a complex project having multiple dimensions and accomplish it without overshooting his resources.

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1. OB – INTRODUCTION

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

Internal and external perspectives are the two theories of how organizational behavior can be viewed from an organization's point of view. In this tutorial, we will be learning in detail about both the theories.

Importance of OB

While working in an organization, it is very important to understand others behavior as well as make others understand ours. In order to maintain a healthy working environment, we need to adapt to the environment and understand the goals we need to achieve. This can be done easily if we understand the importance of OB.

Following points bring out the importance of OB:

- It helps in explaining the interpersonal relationships employees share with each other as well as with their higher and lower subordinates.
- The prediction of individual behavior can be explained.
- It balances the cordial relationship in an enterprise by maintaining effective communication.
- It assists in marketing.
- It helps managers to encourage their sub-ordinates.
- Any change within the organization can be made easier.
- It helps in predicting human behavior & their application to achieve organizational goals.
- It helps in making the organization more effective.

Thus studying organizational behavior helps in recognizing the patterns of human behavior and in turn throw light on how these patterns profoundly influence the performance of an organization.

2. DETERMINANTS OF OB

There are three major factors that affect OB. The working environment being the base for all three factors, they are also known as the determinants of OB. The three determinants are:

- People
- Structure
- Technology

People

An organization consists of people with different traits, personality, skills, qualities, interests, background, beliefs, values and intelligence. In order to maintain a healthy environment, all the employees should be treated equally and be judged according to their work and other aspects that affects the firm.

Example: A company offers campus placement to trainees from different states like Orissa, Haryana, Arunachal Pradesh and many more. However, during and after training, all trainees are examined only on the basis of their performance in the tasks assigned.

Organizational Structure

Structure is the layout design of an organization. It is the construction and arrangement of relationships, strategies according to the organizational goal.

Example: Organizational structure defines the relation of a manager with employees and co-workers.

Technology

Technology can be defined as the implementation of scientific knowledge for practical usage. It also provides the resources required by the people that affect their work and task performance in the right direction.

Example: Introduction of SAP, big data and other software in the market determines individual and organizational performance.

Environment

All companies function within a given internal and external environment. Internal environment can be defined as the conditions, factors, and elements within an enterprise that influences the activities, choices made by the firm, and especially the behavior of the employees. While external environment can be defined as outside factors that affect the company's ability to operate. Some of them can be manipulated by the company's marketing, while others require the company to make adjustments.

Some **examples of internal environment** include employee morale, culture changes, financial changes or issues, and some **examples of external environment** include political factors, changes to the economy and the company itself.

3. CONCEPTS OF OB

The concept of OB is based on two key elements namely:

- Nature of people
- Nature of the organization

Nature of People

In simple words, nature of people is the basic qualities of a person, or the character that personifies an individual they can be similar or unique. Talking at the organizational level, some major factors affecting the nature of people have been highlighted. They are:

- **Individual Difference:** It is the managerial approach towards each employee individually, that is one-on-one approach and not the statistical approach, that is, avoidance of single rule. **Example:** Manager should not be biased towards any particular employee rather should treat them equally and try not to judge anyone on any other factor apart from their work.
- **Perception:** It is a unique ability to observe, listen and conclude something. It is believing in our senses. In short, the way we interpret things and have our point of view is our perception. **Example:** Aman thinks late night parties spoil youth while Anamika thinks late night parties are a way of making new friends. Here we see both Aman and Anamika have different perception about the same thing.
- **A whole person:** As we all know that a person's skill or brain cannot be employed we have to employ a whole person. Skill comes from background and knowledge. Our personal life cannot be totally separated from our work life, just like emotional conditions are not separable from physical conditions. So, people function is the functioning of a total human being not a specific feature of human being.
- **Motivated behavior:** It is the behavior implanted or caused by some motivation from some person, group or even a situation. In an organization, we can see two different types of motivated employees:
 - **Positive motivation:** Encouraging others to change their behavior or say complete a task by luring them with promotions or any other profits. Example: "If you complete this, you will gain this."
 - **Negative motivation:** Forcing or warning others to change their behavior else there can be serious consequences. Example: "If you don't complete this, you will be deprived from the office."
- **Value of person:** Employees want to be valued and appreciated for their skills and abilities followed by opportunities which help them develop themselves.

Nature of Organization

Nature of organization states the motive of the firm. It is the opportunities it provides in the global market. It also defines the employees' standard; in short, it defines the character of the company by acting as a mirror reflection of the company. We can understand the nature of any firm with its social system, the mutual interest it shares and the work ethics.

Let us take a quick look at all these factors:

- **Social system:** Every organization socializes with other firms, their customers, or simply the outer world, and all of its employees - their own social roles and status. Their behavior is mainly influenced by their group as well as individual drives. Social system are of two types namely:
 - **Formal:** Groups formed by people working together in a firm or people that belong to the same club is considered as **formal social system**. **Example:** A success party after getting a project.
 - **Informal:** A group of friends, people socializing with others freely, enjoying, partying or chilling. **Example:** Birthday party.
- **Mutual interest:** Every organization needs people and people need organizations to survive and prosper. Basically it's a mutual understanding between the organization and the employees that helps both reach their respective objectives. **Example:** We deposit our money in the bank, in return the bank gives us loan, interest, etc.
- **Ethics:** They are the moral principles of an individual, group, and organization. In order to attract and keep valuable employees, ethical treatment is necessary and some moral standards need to be set. In fact, companies are now establishing code of ethics training reward for notable ethical behavior.

4. SCOPE OF OB

In a very broad sense, the **scope of OB** is the extent to which it can govern or influence the operations of an organization. The scope of OB integrates 3 concepts respectively:

Individual Behavior

It is the study of individual's personality, learning, attitudes, motivation, and job satisfaction. In this study, we interact with others in order to study about them and make our perception about them.

Example: The personal interview round is conducted to interact with candidates to check their skills, apart from those mentioned in the resume.

Inter-individual Behavior

It is the study conducted through communication between the employees among themselves as well as their subordinates, understanding people's leadership qualities, group dynamics, group conflicts, power and politics.

Example: A meeting to decide list of new board members.

Group Behavior

Group behavior studies the formation of organization, structure of organization and effectiveness of organization. The group efforts made towards the achievement of organization's goal is group behavior. In short, it is the way how a group behaves.

Example: Strike, rally etc.

5. FUNCTIONS OF A MANAGER

Functions of a manager are the various roles played by the manager in an organization. A manager is accountable for all the happenings in the firm and is answerable to the management. The seven major roles played by the manager are:

- Planning
- Organizing
- Staffing
- Directing/leading
- Coordinating
- Reporting
- Budgeting
- Controlling

Roles of a Manager

Now, let us see what exactly are these roles and their importance. Starting with the first role.

- **Planning:** The basic step required for any project, big or small, is the planning stage. The manager needs to plan the schedule and give the blueprint of how the task is to be done with all the necessary details, and also the manager should have a backup plan that if this doesn't work then what next. **Example:** There is a new project, how to start, human resource required, resources required, etc., everything should be planned.
- **Organizing:** Next comes the organizing part, where the manager needs to synchronize and have to make sure everything is going according to the plan. Everything should work as per the plan, and if not then the manager needs to look into the issue and make it work as planned. **Example:** A software tester is required, so organize the venue, date and time to interview those eligible for the post.
- **Staffing:** In simple words, staffing means grouping of people into different teams and allotting different tasks to them. If the team members have some disputes then the team member needs to report to the team leader who will forward it to the manager and the issue will be taken care of. **Example:** Assembling a new team for a new project.
- **Directing/Leading:** It is a manager's responsibility to guide the employees in all situations in order to avoid conflicts and delay in the task. Manager has to lead the employees so that they can get a clear idea about what is to be done and how to do it. **Example:** a team needs a team leader to look after each task that is accomplished, in-process, or aborted.
- **Coordinating:** It means bringing all the employees together by forming an efficient relationship and making them feel comfortable to share their views and issues freely. **Example:** Coordinating the schedule for a project.

- **Reporting:** The manager has to keep updated information about all the ongoing tasks, and it is the sole responsibility of the manager to report the updated status to the higher authorities; while all the employees are bound to report to the manager. **Example:** Keeping the respective directors informed about the progress on their respective projects.
- **Budgeting:** A task has to be completed within the given time frame as well as it should be cost efficient. The manager needs to be double sure that all the amount invested in the project doesn't exceed the budget given and in case of imbalance, the budgeting manager has to report to the management. **Example:** If budget allows to place three employees then five employees cannot be assigned for the task.
- **Controlling:** Last but of course not the least role played by the manager is having everything under control. Whether it is the budget, or resource allocation, everything should be in order. **Example:** All members of a team cannot be granted leave on the same day, as it affects work delivery.

Various Challenges of a Manager

We have seen the different roles a manager as to play in order to maintain the workflow balance in an organization. With all these responsibilities, there are some tough challenges a manager has to deal with while trying to balance everything. Following are some challenges a manager has to deal with:

- **Managing workforce diversity:** Manager shouldn't create or encourage discrimination among employees. Employees from different background, culture, and ethnicity should be treated as equal and rewards should be given only on the basis of work.
- **Improving quality and productivity:** It is the sole responsibility of the manager to increase the productivity without hampering the quality. It can be done in two ways:
 - **Totally quality management:** That is constant focus on customer satisfaction by improving organizational process.
 - **Process of engineering:** Focusing on the manufacturing of the product, so that the quality is not compromised.
- **Responding to labor shortage:** If there is a labor shortage then the manager should quickly respond to solve this problem by arranging for the workforce required so that the product delivery is not delayed.
- **Eradication of labor shortage:** The manager needs to take quick action, if there is a labor shortage and should assure with backup plans so that there is no labor shortage in future.
- **Improving customer service:** Manager faces the challenge to constantly improve customer service to survive in an ever-competitive environment.
- **Improving ethical behavior:** Managers should make sure that the employees behave properly and maintain the decorum of the company. These are few major challenges a manager faces while trying to complete a project. To maintain work-life balance and for the betterment of the organization, the manager should try level best to resolve these challenges.

6. OB – MODELS

Organizational behavior reflects the behavior of the people and management all together, it is considered as field study not just a discipline. A discipline is an accepted science that is based upon theoretical foundation, whereas OB is an inter-disciplinary approach where knowledge from different disciplines like psychology, sociology, anthropology, etc. are included. It is used to solve organizational problems, especially those related to human beings.

There are four different types of models in OB. We will throw some light on each of these four models.

Autocratic Model

The root level of this model is power with a managerial orientation of authority. The employees in this model are oriented towards obedience and discipline. They are dependent on their boss. The employee requirement that is met is subsistence. The performance result is less.

The major drawbacks of this model are people are easily frustrated, insecurity, dependency on the superiors, minimum performance because of minimum wage.

Custodial Model

The root level of this model is economic resources with a managerial orientation of money. The employees in this model are oriented towards security and benefits provided to them. They are dependent on the organization. The employee requirement that is met is security.

This model is adapted by firms having high resources as the name suggest. It is dependent on economic resources. This approach directs to depend on firm rather than on manager or boss. They give passive cooperation as they are satisfied but not strongly encouraged.

Supportive Model

The root level of this model is leadership with a managerial orientation of support. The employees in this model are oriented towards their job performance and participation. The employee requirement that is met is status and recognition. The performance result is awakened drives.

This model is dependent on leadership strive. It gives a climate to help employees grow and accomplish the job in the interest of the organization. Management job is to assist the employee's job performance. Employees feel a sense of participation.

Collegial Model

The root level of this model is partnership with a managerial orientation of teamwork. The employees in this model are oriented towards responsible behavior and self-discipline. The employee requirement that is met is self-actualization. The performance result is moderate zeal.

This is an extension of supportive model. The team work approach is adapted for this model. Self-discipline is maintained. Workers feel an obligation to uphold quality standard for the better image of the company. A sense of “accept” and “respect” is seen.

7. LEARNING

Learning can be defined as the permanent change in behavior due to direct and indirect experience. It means change in behavior, attitude due to education and training, practice and experience. It is completed by acquisition of knowledge and skills, which are relatively permanent.

Nature of Learning

Nature of learning means the characteristic features of learning. Learning involves change; it may or may not guarantee improvement. It should be permanent in nature, that is learning is for lifelong.

The change in behavior is the result of experience, practice and training. Learning is reflected through behavior.

Factors Affecting Learning

Learning is based upon some key factors that decide what changes will be caused by this experience. The key elements or the major factors that affect learning are motivation, practice, environment, and mental group.

Coming back to these factors let us have a look on these factors:

- **Motivation:** The encouragement, the support one gets to complete a task, to achieve a goal is known as motivation. It is a very important aspect of learning as it acts gives us a positive energy to complete a task. **Example:** The coach motivated the players to win the match.
- **Practice:** We all know that "Practice makes us perfect". In order to be a perfectionist or at least complete the task, it is very important to practice what we have learnt. **Example:** We can be a programmer only when we execute the codes we have written.
- **Environment:** We learn from our surroundings, we learn from the people around us. They are of two types of environment – internal and external. **Example:** A child when at home learns from the family which is an internal environment, but when sent to school it is an external environment.
- **Mental group:** It describes our thinking by the group of people we chose to hang out with. In simple words, we make a group of those people with whom we connect. It can be for a social cause where people with the same mentality work in the same direction. **Example:** A group of readers, travelers, etc.

These are the main factors that influence what a person learns, these are the root level for our behavior and everything we do is connected to what we learn.

How Learning Occurs?

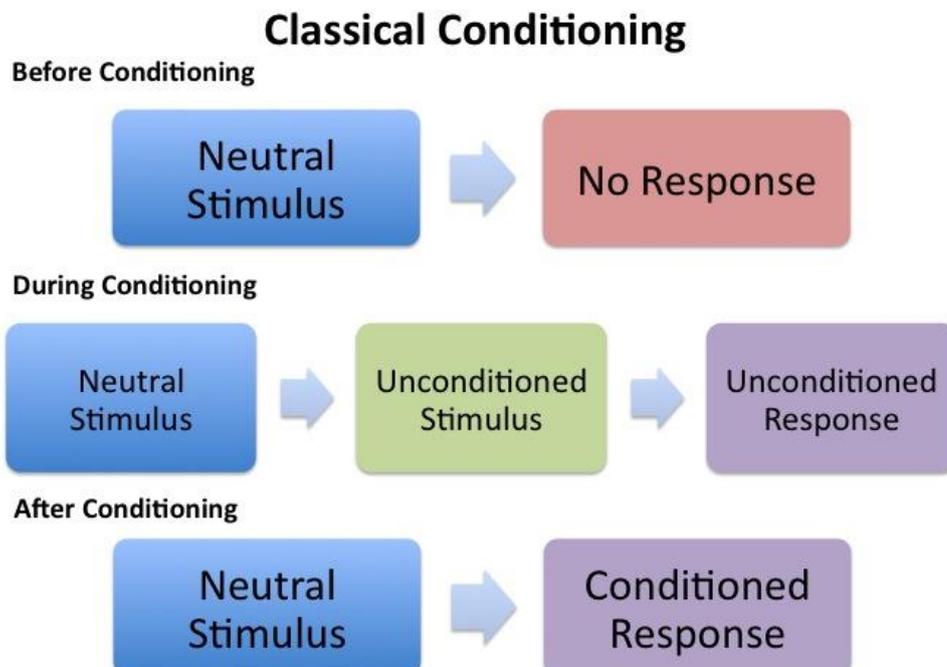
Learning can be understood clearly with the help of some theories that will explain our behavior. Some of the remarkable theories are:

- Classical Conditioning Theory
- Operant Conditioning Theory
- Social Learning Theory
- Cognitive Learning Theory

Classical Conditioning Theory

The classical conditioning occurs when a conditioned stimulus is coupled with an unconditioned stimulus. Usually, the conditioned stimulus (CS) is an impartial stimulus like the sound of a tuning fork, the unconditioned stimulus (US) is biologically effective like the taste of food and the unconditioned response (UR) to the unconditioned stimulus is an unlearned reflex response like salivation or sweating.

After this coupling process is repeated (for example, some learning may already occur after a single coupling), an individual shows a conditioned response (CR) to the conditioned stimulus, when the conditioned stimulus is presented alone. The conditioned response is mostly similar to the unconditioned response, but unlike the unconditioned response, it must be acquired through experience and is nearly impermanent.



Operant Conditioning Theory

Operant conditioning theory is also known as instrumental conditioning. This theory is a learning process in which behavior is sensitive to, or controlled by its outcomes.

Let's take an example of a child. A child may learn to open a box to get the candy inside, or learn to avoid touching a hot stove. In comparison, the classical conditioning develops a relationship between a stimulus and a behavior. The example can be further elaborated as the child may learn to salivate at the sight of candy, or to tremble at the sight of an angry parent.

In the 20th century, the study of animal learning was commanded by the analysis of these two sorts of learning, and they are still at the core of behavior analysis.

Operant Conditioning

	Reinforcement Increase Behavior	Punishment Decrease Behavior
Positive Stimulus (something added)	Positive Reinforcement Add something to increase behavior	Positive Punishment Add something to decrease behavior
Negative Stimulus (something removed)	Negative Reinforcement Remove something to increase behavior	Negative Punishment Remove something to decrease behavior

Social Learning Theory

The key assumptions of social learning theory are as follows:

- Learning is not exactly behavioral, instead it is a cognitive process that takes place in a social context.
- Learning can occur by observing a behavior and by observing the outcomes of the behavior (known as vicarious reinforcement).
- Learning includes observation, extraction of information from those observations, and making decisions regarding the performance of the behavior (known as observational learning or modeling). Thus, learning can occur beyond an observable change in behavior.

- Reinforcement plays an important role in learning but is not completely responsible for learning.
- The learner is not a passive receiver of information. Understanding, environment, and behavior all mutually influence each other.

Cognitive Learning Theory

Cognition defines a person's ideas, thoughts, knowledge, interpretation, understanding about himself and environment.

This theory considers learning as the outcome of deliberate thinking on a problem or situation based upon known facts and responding in an objective and more oriented manner. It perceives that a person learns the meaning of various objects and events and also learns the response depending upon the meaning assigned to the stimuli.

This theory debates that the learner forms a cognitive structure in memory which stores organized information about the various events that occurs.

Learning & Organizational Behavior

An individual's behavior in an organization is directly or indirectly affected by learning.

Example: Employee skill, manager's attitude is all learned.

Behavior can be improved by following the listed tips:

- Reducing absenteeism by rewarding employees for their fair attendance.
- Improving employee discipline by dealing with employee's undesirable behavior, drinking at workplace, stealing, coming late, etc. by taking appropriate actions like oral reprimands, written warnings and suspension.
- Developing training programs more often so as to grab the trainees' attention, provide required motivational properties etc.

8. PERSONALITY

The word personality is derived from a Greek word "*persona*" which means "to speak through." Personality is the combination of characteristics or qualities that forms a person's unique identity. It signifies the role which a person plays in public. Every individual has a unique, personal and major determinant of his behavior that defines his/her personality.

Personality trait is basically influenced by two major features:

- Inherited characteristics
- Learned characteristics

Inherited Characteristics

The features an individual acquires from their parents or forefathers, in other words the gifted features an individual possesses by birth is considered as inherited characteristics. It consists of the following features:

- Color of a person's eye
- Religion/Race of a person
- Shape of the nose
- Shape of earlobes

Learned Characteristics

Nobody learns everything by birth. First, our school is our home, then our society, followed by educational institutes. The characteristics an individual acquires by observing, practicing, and learning from others and the surroundings is known as learned characteristics.

Learned characteristics includes the following features:

- **Perception:** Result of different senses like feeling, hearing etc.
- **Values:** Influences perception of a situation, decision making process.
- **Personality:** Patterns of thinking, feeling, understanding and behaving.
- **Attitude:** Positive or negative attitude like expressing one's thought.

Traits of Personality

Personality traits are the enduring features that define an individual's behavior. A personality trait is a unique feature in an individual. Psychologists resolved that there are five major personality traits and every individual can be categorized into at least one of them. These five personality traits are:

- Extrovert

- Neurotic
- Open
- Agreeable
- Conscientious

Major Personality Attributes

Following are the five major personality attributes that influence OB:

Locus of Control

Locus of control is the center of control of an individual's code of conduct. People can be grouped into two categories i.e., internals and externals respectively.

People who consider themselves as the masters of their own fates are known as internals, while, those who affirm that their lives are controlled by outside forces known as externals.

Before making any decision, internals actively search for information, they are achievement driven, and want to command their environment. Thus, internals do well on jobs that craves complex information processing, taking initiative and independent action.

Externals, on the other hand, are more compliant, more willing to follow instructions, so, they do well in structured, routine jobs.

Machiavellianism

Machiavellianism is being practical, emotionally distant, and believing that ends justify means.

Machiavellians are always wanting to win and are great persuaders. Here are the significant features of a high-mach individuals:

- High-Machs prefer precise interactions rather than beating about the bush.
- High-Machs tend to improvise; they do not necessarily abide by rules and regulations all the time.
- High-Machs get distracted by emotional details that are irrelevant to the outcome of a project.

Self-esteem

It is the extent up to which people either like or dislike themselves. Self-Esteem is directly related to the expectations of success and on-the-job satisfaction.

Individuals with high self-esteem think that they have what it takes to succeed. So, they take more challenges while selecting a job.

On the other hand, individuals with low self-esteem are more susceptible to external distractions. So, they are more likely to seek the approval of others and to adapt the beliefs and behaviors of those they respect.

Self-monitoring

Self-monitoring is the capability of regulating one's behavior according to social situations. Individuals with high self-monitoring skill easily adjust their behavior according to external, situational factors. Their impulsive talents allow them to present public personae which are completely different from their private personalities.

However, people with low self-monitoring skills cannot cover themselves. Regardless of any situation, they are always themselves. They have an attitude of, "what you see is what you get."

Risk taking

Generally, managers are reluctant on taking risks. However, individual risk-taking inclination affects the bulk of information required by the managers and how long it takes them to make decisions.

Thus, it is very important to recognize these differences and align risk-taking propensity with precise job demands that can make sense.

9. THEORIES OF PERSONALITY

A theory is a simple model of reality that helps us understand, explain, predict and deal with reality. We have some theories that explain an individual's personality.

Sigmund Freud's Psychoanalytic Theory

This theory is based on the belief that man is encouraged more by unforeseen forces than the conscious and logical thought. Freud believed that most of the things in life are not present at the conscious level but they are present at an unconscious level.

The features of Freud's theory include three attributes: Id, Ego, and Superego.

- **Id** – It defines the innate component of personality. It is the impulsive and unconscious part of mind that seeks immediate satisfaction. **Example:** A hungry baby cries till he/she is fed.
- **Ego** – It is derived from Id and assists in dealing with the external world. It also helps in translating the inner needs into expressions. It deals with practical and rational thinking process. **Example:** We have a fight with our friend and expect the friend to talk first, even though both of us want to talk.
- **Superego** – It is different from ego and is partially unconscious. It includes the traditional values of society as interpreted by our parents. It also helps in the integral vision of punishment. **Example:** Ram came late today so he is grounded for a week.

Erikson's Theory

This theory states that personality is groomed throughout lifetime. He presents eight distinct stages each with two possible outcomes. Successful completion of each stage leads to a healthy personality. These stages are:

- **Infancy** – It is the period between 0-1 years of age. In this stage, children learn the ability to trust others depending on their caregivers. Unsuccessful completion in this stage results in anxiety and insecurity. **Example:** Children of this age are more comfortable with those faces they see more often and not with strangers.
- **Early Childhood** – It is the period between 1-3 years of age. In this stage, children learn to be independent. If given support, they become more confident else they become dependent over others. **Example:** Children in this age are taught how to walk, how to talk etc.
- **Play Age** - It is the period between 3-6 years of age. In this stage, children assert themselves frequently. The failure leads to development of a sense of guilt among them. **Example:** Children in this age group, need to be taught how to behave and should be taught to be focused.

- School Age - It is the period between 6 years of age till puberty. In this stage, children become more innovative. They feel confident and want to achieve their goals. If not encouraged they may feel inferior. **Example:** Teenagers should be protected and parents need to understand them and should handle them patiently.
- Adolescence - This stage is a transformation from childhood to adulthood. Here children find their own identity and should be guided and supported in order to help them choose the right direction. **Example:** Decision such as which stream to choose science or commerce etc. happens during this stage.
- Early Childhood - This stage is also known as young adulthood. Here, they begin to open up and become more intimate with others. **Example:** Making close friends.
- Adulthood - In this stage, they focus on establishing career and settling down with relationships that are important. **Example:** Applying for jobs.
- Mature Adulthood - In this stage, a person is old and thus in this stage the productivity slows down. **Example:** Taking care of the family.

Sheldon's Physiognomy Theory

This theory was proposed by William Sheldon. He presents personalities by classifying individuals into convenient categories based on their body shapes. They are:

- Endomorphs
- Mesomorphs
- Ectomorphs

Endomorphs

In this category, the body is soft and spherical. People with this kind of personality love comfort, eat a lot, like to be around people and desire affection. Some common endomorph features are large amount of fat accumulation, insatiable appetite, larger frame etc.

Some endomorph personalities are John Goodman, Jack Black etc.

Mesomorphs

In this category, the body is hard and rectangular physique. People with this kind of personality like to take risk, are courageous and have power. Some common mesomorph features are wide shoulders, small waist, low body fat.

Some mesomorph personalities are Jennifer Garner, Tina Turner etc.

Ectomorphs

In this category, the body is fragile, flat chest and delicate body. People with this kind of personality are anxious, ambitious and dedicated. Some common ectomorph features are narrow frame, low body fat, etc.

Some notable ectomorph personalities are Brad Pitt, Bruce Lee etc.

10. PERCEPTION

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

It can be divided into six types:

- **Of sound:** The ability to receive sound by identifying vibrations.
- **Of speech:** The competence of interpreting and understanding the sounds of language heard.
- **Touch:** Identifying objects through patterns of its surface by touching it.
- **Taste:** The ability to receive flavor of substances by tasting it through sensory organs known as taste buds.
- **Other senses:** They approve perception through body, like balance, acceleration, pain, time, sensation felt in throat and lungs etc.
- **Of the social world:** It permits people to understand other individuals and groups of their social world. **Example:** Priya goes to a restaurant and likes their customer service, so she will perceive that it is a good place to hang out and will recommend it to her friends, who may or may not like it. Priya's perception about the restaurant is good.

Perceptual Process

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

- Receiving
- Selecting
- Organizing
- Interpreting

Receiving

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

Selecting

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

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

Organizing

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

We can organize the data by:

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

Interpreting

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

Importance of Perception in OB

We need to understand what the role of perception in an organization is. It is very important in establishing different role of perceptions like:

- Understanding the tasks to be performed.
- Understanding associated importance of tasks allotted.
- Understanding preferred behavior to complete respective tasks.
- Clarifying role perceptions.

For example, every member in a group has to be clear regarding the role allotted to them. Programmer writes the code, tester checks it, etc.

11. MOTIVATION

Motivation can be described as the internal force that impacts the direction, intensity, and endurance of a person's voluntary choice of behavior. It consists of:

- **Direction:** focused by goals.
- **Intensity:** bulk of effort allocated.
- **Persistence:** amount of time taken for the effort to be exerted.

Example: A team leader encourages team members to work efficiently.

Features of Motivation

Motivation is an internal feeling, that is, it defines the psychological state of a person. It is a continuous process and we should make sure that it is not disturbed. A person should be encouraged completely.

Motivation consists of three interacting and dependent elements:

- **Needs:** The requirements or deficiency which is created whenever there is physiological imbalance.
- **Drives:** The various camps or events organized to motivate the employees and give them new opportunities.
- **Incentives:** Employees need to be rewarded for their nice work in order to keep them encouraged.

Importance of Motivation

We need to motivate employees because of the following reasons:

- Motivated employee are more quality oriented.
- Highly motivated employees are more productive as compared to other employees.
- It helps in achieving three behavior dimension of human resource namely:
 - Candidates must be attracted not only to join but also remain in the firm.
 - Employees must perform task in a dependable manner.
 - Employees should be creative, spontaneous and innovative at work.

Maslow's Hierarchy of Needs Theory

This theory was produced in order to answer the question "What motivates an individual". Every second need comes to force when the first need is satisfied completely. Maslow explained the hierarchy of needs by grouping them into two: deficiency needs and growth needs.

Physiological Needs

Every individual needs to take care of the basic requirements required to sustain. These requirements include food to eat, clothing to wear and shelter to live in. These necessities are relatively independent of each other but are finite.

Safety Needs

Everybody wants to stay in a protected environment with minimal danger so that they can have a peaceful life. Safety needs basically includes protection from physiological danger like accident and having economic security like bank accounts, health insurance.

In an enterprise, it includes job security, salary increment, etc. The managerial practice to satisfy this involves offering pension scheme, provident fund, gratuity etc.

Social Needs

We have all heard that man is a social animal, we want to be there with those people where we are loved and we are accepted as we are; nobody wants to be judged. This is a common requirement every human desires.

This theory helps managers to think about encouraging their employees by identifying employee needs. In short, it presents motivation as constantly changing force, expressing itself to the constant need for fulfilment of new and higher levels of needs.

Esteem

Esteem means the typical human desire to be accepted and valued by others. People often involve in a profession or hobby to gain recognition, earn fame and respect. According to Maslow, the needs of humans have strict guidelines - the hierarchies rather than being sharply separated, are interrelated. This means that esteem and the consequent levels are not strictly separated but are closely related.

Self-Actualization

Self-actualization means realizing one's full potential. Maslow describes this as a desire to complete everything that one can, to become the most that one can be.

12. THEORY X AND THEORY Y

Our management style is firmly influenced by our beliefs and assumptions about what encourages members of our team like: If we believe that our team members dislike work, then we tend towards an authoritarian style of management. However, if we assume that employees take pride in doing a good job, we tend to adopt a more participative style.

Douglas McGregor, the eminent social psychologist, divides management style into two contrasting theories:

- Theory X
- Theory Y

Theory X

This theory believes that employees are naturally unmotivated and dislike working, and this encourages an authoritarian style of management. According to this theory, management must firmly intervene to get things done. This style of management concludes that workers:

- Disfavor working.
- Abstain responsibility and the need to be directed.
- Need to be controlled, forced, and warned to deliver what's needed.
- Demand to be supervised at each and every step, with controls put in place.
- Require to be attracted to produce results, else they have no ambition or incentive to work.

McGregor observed that X-type workers are in fact mostly in minority, and yet in mass organizations, such as large scale production environment, X Theory management may be needed and can be unavoidable.

Theory Y

This theory explains a participative style of management, that is, distributive in nature. It concludes that employees are happy to work, are self-motivated and creative, and enjoy working with greater responsibility. It estimates that workers:

- Take responsibility willingly and are encouraged to fulfill the goals they are given.
- Explore and accept responsibility and do not need much guidance.
- Assume work as a natural part of life and solve work issues imaginatively.

In Y-type organizations, people at lower levels are engaged in decision making and have more responsibility.

Comparing Theory X & Theory Y

Let us now compare both the theories:

Motivation

Theory X considers that people dislike work, they want to avoid it and do not take responsibilities willingly.

While, Theory Y considers that people are self-motivated, and sportingly take responsibilities.

Management Style and Control

In Theory X-type organization, management is authoritarian, and centralized control is maintained.

While in Theory Y-type organization, the management style is participative, employees are involved decision making, but the power retains to implement decisions.

Work Organization

Theory X employees are specialized and the same work cycle continues.

In Theory Y, the work tends to be coordinated around wider areas of skill or knowledge. Employees are also motivated to develop expertise, and make suggestions and improvements.

Rewards and Appraisals

Theory X-type organizations work on a 'carrot and stick' basis, and performance assessment is part of the overall mechanism of control and compensation.

Coming to Theory Y-type organizations, appraisal is also regular and crucial, but is usually a separate mechanism from organizational controls. Theory Y-type organizations provide employees frequent opportunities for promotion.

Application

Admitting the fact that Theory X management style is widely accepted as inferior to others, it has its place in large scale production procedure and unskilled production-line work.

Many of the principles of Theory Y are widely accepted by different types of organization that value and motivate active participation.

Theory Y-style management is appropriate for knowledge work and licensed services. Licensed service organizations naturally develop Theory Y-type practices by the nature of their work, even high structure knowledge framework, like call center operations, benefit from its principles to motivate knowledge sharing and continuous improvement.

13. GROUPS IN ORGANIZATION

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.

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.



These can be further classified into two sub-groups:

- **Command group:** It is a group consisting of individuals who report directly to the manager.

- **Interest group:** It is a group formed by individuals working together to achieve a specific objective. **Example:** A group of workers working on a project and reporting to the same manager is considered as a command group. A group of friends chilling out together is considered as interest group or say members of a club.

Informal Groups

These groups are formed with friendships and common interests. These can be further classified into two sub-groups:

- **Task group:** Those working together to finish a job or task is known as task group.
- **Friendship group:** Those brought together because of their shared interests or common characteristics is known as friendship group.



Why Do People Join Groups

There is no particular reason answering why individuals join groups. Group helps individual to feel stronger, have fewer self-doubts, and be more contrary to threats.

The following points help us understand the need of joining a group by individuals:

- **Security mirrors strength in numbers.** Status pinpoints a prestige that comes from belonging to a specific group. Inclusion in a group is considered as important because it provides recognition and status.
- **Self-esteem transmits people's feelings of self-worth.** Membership can sometimes raise feelings of self-esteem like being accepted into a highly valued group.
- **Affiliation with groups can meet one's social needs.** Work groups significantly contribute to meet the need for friendships and social relations.
- **Groups represent power.** What mostly cannot be achieved individually becomes possible with group effort. Power might be aimed to protect themselves from unreasonable demands. Informal groups provide options for individuals to practice power.
- **People may join a group for goal achievement.** Sometimes it takes more than one person to accomplish a particular task.

Group Roles

The concept of roles is applicable to all employees within an organization as well as to their life outside the organization. A role is a set of expected behavior patterns attributed to the one who occupies the position demanded by the social unit.

Individuals play multiple roles at the same time. Employees attempt to understand what kind of behavior is expected from them. An individual when presented by divergent role expectations experiences role conflict. Group roles are divided into three types:

- Task-oriented Roles
- Relationship-oriented Roles
- Individual Roles

Task-oriented Roles

Roles allotted to individuals according to their work and eligibility is known as task-oriented roles. Task-oriented roles can broadly divide individuals into six categories initiator, informer, clarifier, summarizer, reality tester and information seekers or providers respectively.

- **Initiator:** The one who proposes, suggests, defines.
- **Informer:** The one who offers facts, expresses feelings, gives opinions.
- **Clarifier:** The one who interprets, defines, clarifies everything.
- **Summarizer:** The one who links, restates, concludes, summarizes.
- **Reality Tester:** The one who provides critical analysis.
- **Information seekers or providers:** The one who gives information and data.

These roles present the work performed by different individuals according to their marked designation.

Relationship-oriented Roles

Roles that group individuals according to their efforts made to maintain healthy relationship in the group and achieve the goals are known as relationship-oriented roles. There are five categories of individuals in this category namely: harmonizer, gatekeeper, consensus tester, encourager, and compromiser.

- **Harmonizers:** The one who limits tension and reconciles disagreements.
- **Gatekeeper:** The one who ensures participation by all.
- **Consensus Tester:** The one who analyzes the decision-making process.
- **Encourager:** The one who is warm, responsive, active, shows acceptance.
- **Compromiser:** The one who admits error, limits conflict.

These roles depict the various roles an individual plays to maintain healthy self as well as group relationships.

Individual Roles

Roles that classify a person according to the measure of individual effort put in the project aimed is known as individual roles. Five types of individuals fall into these roles: aggressor, blocker, dominator, cavalier, and avoidance.

- **Aggressor:** The one who devalues others, attacks ideas.
- **Blocker:** The one who disagrees and rebels beyond reason.
- **Dominator:** The one who insists superiority to manipulate.
- **Cavalier:** The one who takes part in a group non-productively.
- **Avoidance:** The one who shows special interest to avoid task.

These are the various roles a person plays in an organization.

Well-Functioning Groups

We know what a group is, why it is important to form a group, and what the group-oriented roles are. Now we need to know how to mark a group as a well-functioning group, what features are necessary for a group to mark it as efficient.

A group is considered effective when it has the following characteristics.

- Relaxed, comfortable, friendly atmosphere.
- Task to be executed are well understood and accepted.
- Members listen well and actively participate in given assignments.
- Assignments are made clear and are accepted.
- Group is acquainted of its operation and function.

- People express their feelings and ideas openly.
- Consensus decision-making process is followed.
- Conflict and disagreement center regarding ideas or method.

Group Behavior – Example

Let us understand group behavior with the help of an example.

To work on a specific project, we make a group of 4 members: Rohit, Raj, Sid, and Rahul. It is not possible for any one of them to complete the project individually as it may be time consuming as well as not all the members as individuals have mastered the skills required to complete the project. This indicates the need to come together as a group.

Moving ahead, let us specify their roles. Rohit is the initiator, as he proposes the idea of the project, Raj collects all the information and resources required for the project and becomes the informer, Sid is the clarifier as he interprets the data and saves refined information, and Rahul is the summarizer as he concludes the result of the project that is what do we achieve by the end of our project. These are the task-oriented roles.

When a group of people come together and present their ideas there is a fair chance of collision. Rohit tries to resolve all the disagreements and disputes in the first place and acts as a harmonizer, Sid makes sure that everybody is giving their full support and effort in the project and acts as a gatekeeper, Raj is the one encouraging everyone and motivating them when they fail to try harder to complete the project and is the encourager, while Rahul tests the project at each stage and examines the major decision to be made and is the consensus tester. These are the relationship-oriented roles of each member.

Individually, each of them have different tasks to fulfill. Rohit tries to be the group leader and impose his ideas on others and we consider him as the dominator, Rahul is always up with excuses to avoid the task given to him and acts as avoider, Raj is the one who opposes everything but is never up with some new idea and becomes the blocker, while Sid takes part in every group activity in a non-productive way and becomes the cavalier.

Reference Groups

It is a group to which a person or another group is compared. Reference groups are used in order to examine and determine the nature of a person or other group's features and sociological attributes. It is the group to which a person relates or aspires to link himself or herself psychologically.

It is important for deciding a person's self-identity, attitudes, and social ties. It becomes the ground of reference in making comparisons or contrasts and in judging one's appearance and performance. These groups act as a benchmark and contrast needed for comparison and evaluation of group and personal characteristics.

An example of a reference group, would be the certainty of wealth. An individual in the US with an annual income of \$70,000, may consider himself rich if he compares himself to those in the middle income strata, who earn roughly \$22,000 a year. However, if the same person considers the relevant reference group to be those in

the top 0.5% of households in the US, those making \$1.8 million or more, then the individual's income of \$70,000 would make him seem rather poor.

14. 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.

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.

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:

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.

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.

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.

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.

15. LEADERSHIP

Leadership can be defined as the ability of the management to make sound decisions and inspire others to perform well. It is the process of directing the behavior of others towards achieving a common goal. In short, leadership is getting things done through others.

Importance of Leadership

Leadership is very important in a firm as it leads to higher performance by the team members, it improves motivation and morale within the members, and helps to respond to change.

Leadership facilitates organizational success by creating responsibility and accountability among the members of the organization. In short, it increases value in an organization.

Leader Vs Manager

A leader is someone whom people follow or someone who guides or directs others. A manager is someone who is responsible for directing and controlling the work and staff in an organization, or of a department within it.

The main difference between the two is that a leader works by example, while a manager dictates expectations. If a manager goes against the rules, that will tarnish his position as a manager. If a leader goes against the example he or she is trying to set, that will be seen as a setback. Following are a few subtle differences between the two:

- A leader is an innovator and creator whereas a manager is a commander.
- A leader can't be a manager but the opposite is possible, a manager is more than a leader.
- A leader does what is right, while the manager makes things right.
- A leader deals with change whereas a manager plans for a change.
- A leader gives direction to do something whereas the manager plans for everything that is to be done.
- A leader encourages people whereas the manager controls people.
- A leader handles communication, credibility, and empowerment whereas a manager deals with organizing and staffing.

Leadership Styles

Different leadership styles exist in work environments. The culture and goal of an organization determine which leadership style fits best. Some organizations offer different leadership styles within an organization, depending on the necessary tasks to complete and departmental needs.

We find five different leadership styles in the corporate world. They are as follows:

Laissez-Faire

A laissez-faire leader does not directly supervise employees and fails to provide regular updates to those under his supervision. Highly experienced and trained employees with minimal requirement of supervision fall under the laissez-faire leadership style.

But, not all employees possess these features. This leadership style blocks the production of employees needing supervision. The laissez-faire style implements no leadership or supervision efforts from managers, which can lead to poor production, lack of control and increasing costs.

Autocratic

The autocratic leadership style permits managers to make decisions alone without the input of others. Managers exercise total authority and impose their will on employees. No one opposes the decisions of autocratic leaders. Countries like Cuba and North Korea operate under the autocratic leadership style.

This leadership style benefits those who require direct supervision. Creative employees who participate in group functions detest this leadership style.

Participative

This is also known as the democratic leadership style. It values the input of team members and peers, but the responsibility of making the final decision rests with the participative leader. Participative leadership motivates employee morale because employees make contributions to the decision-making process. It accounts to a feeling that their opinions matter.

When an organization needs to make changes within itself, that is internally, the participative leadership style helps employees accept changes easily as they play a role in the process. This leadership style meets challenges when companies need to make a decision in a short period of time.

Transactional

Transactional leadership style is formed by the concept of reward and punishment. Transactional leaders believe that the employee's performance is completely dependent on these two factors. When there is an encouragement, the workers put in their best effort and the bonus is in monetary terms in most of the cases. In case they fail to achieve the set target they are given a negative appraisal.

Transactional leaders pay more attention to physical and security requirements of the employees.

Transformational

Transformational leadership has the ability to affect employee's perceptions through the returns that organization gets in the form of human capital benefits. These leaders have the ability to reap higher benefits by introducing knowledge management processes, encouraging interpersonal communication among employees and creating healthy organizational culture.

It helps in flourishing organizational innovation by creating a participative environment or culture. It promotes a culture where the employees have autonomy to speak about their experiences and share knowledge.

It has been seen that transformational leaders are more innovative than transactional and laissez-faire leaders.

Traditional Theory

Traditional theory is a theory based on different traits of a human beings. It assumes that leaders are born and not made. According to this theory, leadership behavior is the sum total of all traits that a leader possess.

Thus this theory gives the profile of a successful and complete leader. According to this theory, there are five human traits. They are:

- Physical trait - it includes energy, activity, appearance, and height.
- Ability trait - it includes judgement, knowledge, and fluency in speech.
- Personal trait - it includes self-confidence, creativity, and enthusiasm.
- Work trait - it includes organization and achievement.
- Social trait - it includes interpersonal skill, cooperativeness, popularity and prestige.

Drawbacks

Following are the major drawbacks of this theory:

- Traits are not arranged according to their importance.
- There is no quantitative tool to judge the human traits.
- This trait can't be used universally.
- This trait can be achieved and developed.
- Situational factors are avoided.

16. THEORIES OF LEADERSHIP

Behavioral Theory

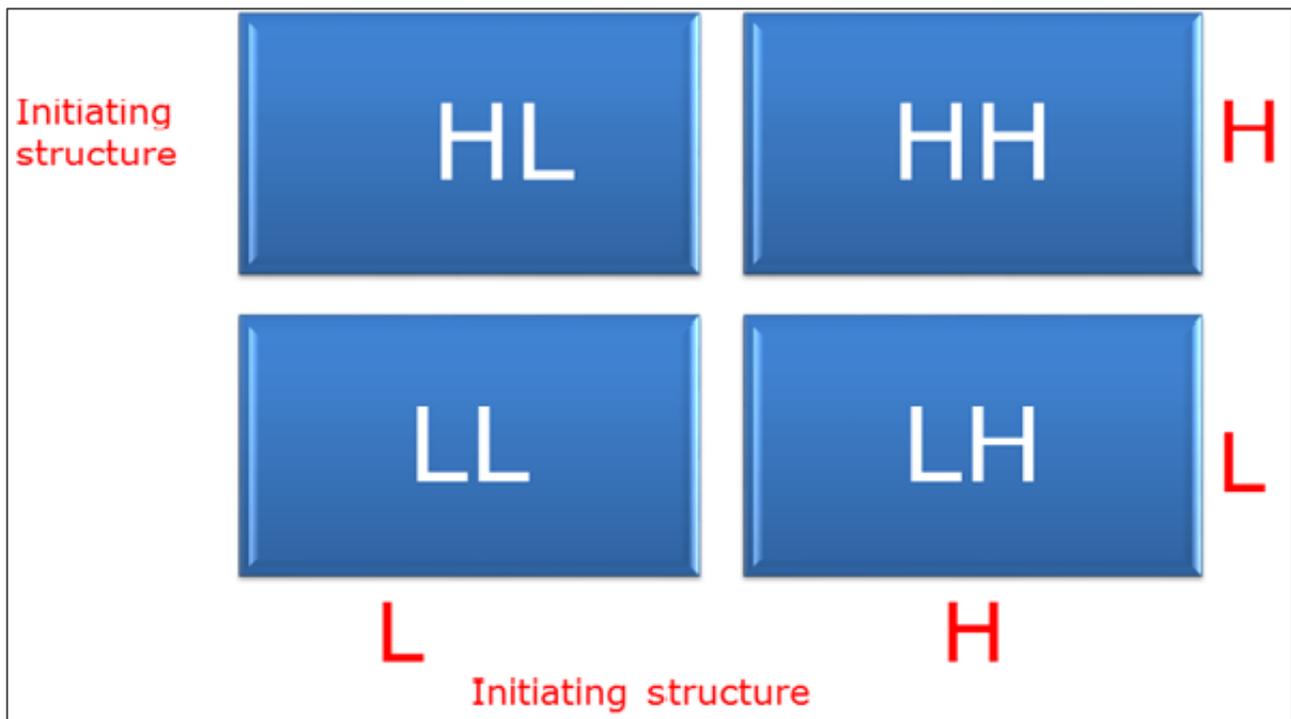
This theory explains the effectiveness of leadership. According to this theory, leadership has two qualities i.e., initiating structure and consideration. These qualities are tested with higher and lower levels with proper intersection of each other.

Initiating Structure

It is the level up to which a leader is task oriented and directs the employee towards achieving a goal. In this case, the leader gives instruction, makes plan and schedules work activities.

Consideration

It is the level up to which a leader is concerned with the sub-ordinates, ideas and feelings. Considerate leaders are friendly, they show concern for sub-ordinates' well-being and satisfaction.

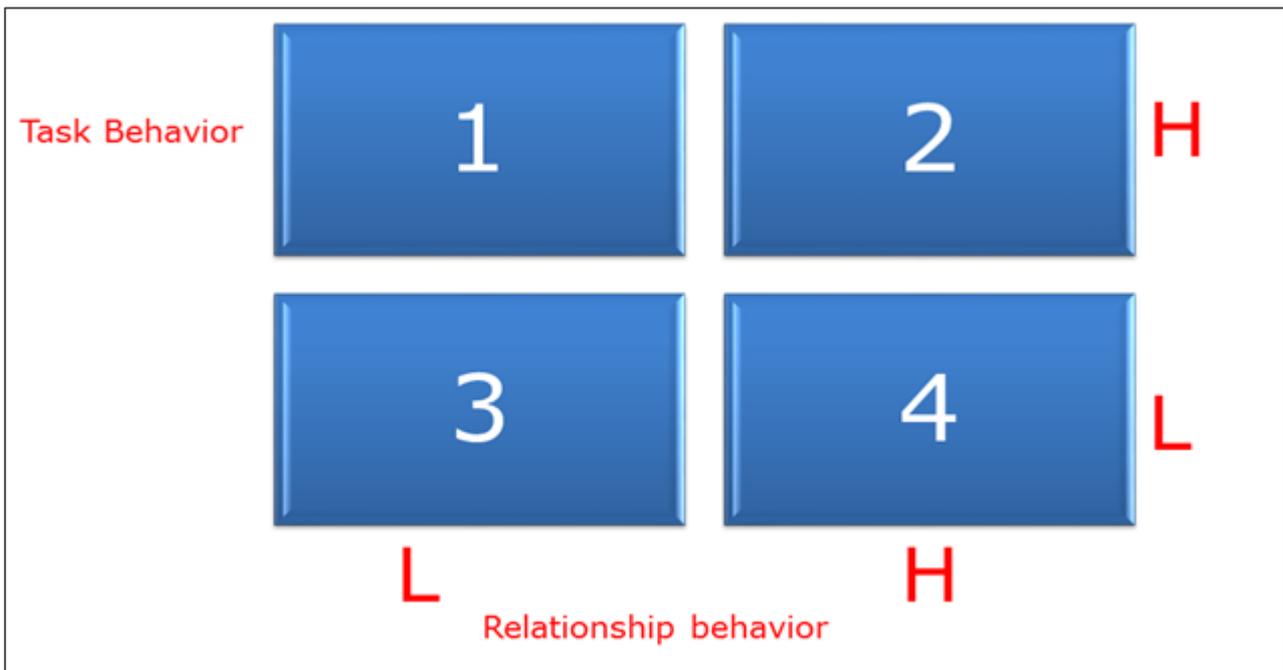


This type of leadership is achieved by performance and is found to be effective. But it is not the best way as situational factors are not taken into consideration.

Contingency Theory

According to this theory, propounded by Paul Hersey and Ken Blanchard, believes the effectiveness of a leader is dependent on the action or readiness of his followers. By readiness we mean the extent to which the followers are able and willing to achieve the goal.

This theory is explained on the basis of four cases.



- Case 1 - In case one, we have high relationship behavior and low task behavior. The leader motivates the followers and helps in decision making. Not much productivity can be seen in this case but the sense of togetherness is high.
- Case 2 - In case two, we have high relationship behavior as well as high task behavior. In this combination, the leader explains the decision and helps to build confidence of the employees. In this case, productivity as well as loyalty towards the leader is more.
- Case 3 - In case three, we have a combination of low relationship behavior and low task behavior. Here we see that the leader delegates the responsibility of decision making to the followers. In this case, there is poor communication as well as poor production.
- Case 4 - Here we deal with a combination of low relationship behavior and high task behavior. The leader gives specific direction and supervises the performance. This theory is effective only if the leaders change their style irrespective of the readiness of the followers.

17. CONFLICT MANAGEMENT

Conflict can be defined as a mental struggle resulting from incompatible or opposing needs, drives, wishes, and external or internal demands. Where there are people, there is conflict.

They are usually taken in a negative association. However, this is inaccurate as conflicts are necessary for healthy relationships. It all depends on the approach we use to resolve the conflict.

Classification of Conflict

When we think of the different types of conflict, we might instantly think of the ones referred to in literature, especially in fiction. They can be applied to real life, of course. However, in contemporary times, types of conflict which are easily identifiable are classified into four different types:

- Intrapersonal
- Intragroup
- Interpersonal
- Intergroup

Intrapersonal Conflict

Intrapersonal conflict takes place within an individual. The person experiences it in his own mind. Thus, it is a type of conflict that is psychological involving the individual's thoughts, values, principles and emotions. Intrapersonal conflict may come in different forms, from the simple mundane ones like deciding whether or not to go vegan for lunch to ones that can affect major decisions such as choosing a career path.

However, this type of conflict can be quite difficult to handle, if you find it hard to decipher your inner struggles. It results in restlessness and uneasiness, or can even cause depression. On such occasions, it is advised to seek a way to let go of the anxiety by communicating with other people. Eventually, when the person finds himself/herself out of the situation, he/she can become more empowered as a person. Thus, the experience invokes a positive change which helps in personal growth.

Intragroup Conflict

Intragroup conflict occurs among individuals within a team. The incompatibilities and misunderstandings between team members leads to intragroup conflict. It starts from interpersonal disagreements like team members have different personalities which may lead to tension or differences in views and ideas. Say for example, during 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 achieve their objectives as a team. But, 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.

Interpersonal Conflict

Interpersonal conflict means a conflict between two individuals. Basically, this occurs because of some differences in people. We have varied personalities which usually lead to incompatible choices and opinions. So, it is a natural occurrence which can eventually help in personal growth or developing our relationships with others.

In addition, adjustments are necessary for managing this type of conflict. However, when interpersonal conflict becomes too destructive, calling in a mediator helps so as to have the issue resolved.

Intergroup Conflict

Intergroup conflict occurs when a misunderstanding arises among different teams within an organization. For example, the marketing department of an organization can come in conflict with the customer support department. This is because of the varied sets of goals and interests of these different groups. In addition to this, competition also contributes to intergroup conflict. There are other factors which increase this type of conflict. Some of these factors may include a rivalry in resources or the boundaries set by a group to others which forms their own identity as a team.

Conflict should not always be perceived as a problem rather at times it is a chance for growth and can be an effective means of opening up among groups or individuals. However, when conflict begins to suppress or disrupt productivity and gives way to more conflicts, then conflict management is what is needed for problem resolution.

Conflict Resolution

Conflict resolution is a method by which two or more parties find a peaceful solution to a disagreement among them. The disagreement can be personal, financial, political, or emotional. When a disagreement arises, often the best course of action is negotiation to resolve the disagreement. We all know that when people gather for a discussion, it is not necessary that what one thinks is right the other thinks the same way, this difference in thinking or mentality leads to conflict.

"I'm doing my best at work and you expect me to do more! Why don't you ask the other team members?" This is the start of a conflict! Let us know about some of the conflict management techniques.

Conflict Management Techniques

We get into a conflict when the person opposite to us has a different mindset. It is very common in a workplace to get into differences of opinion. Sometimes there is a conflict between two or more employees, sometimes employees have a conflict with their managers and so on. Now the question is, how can we manage disagreements in ways that build personal and collegial relationships?

Here are five strategies from conflict management theory for managing stressful situations. None of them is a "one-size-fits-all" answer. Which one is the best in a given situation depends on variety of factors, including an appraisal of the levels of conflict.

- **Collaborating:** win/win

- **Compromising:** win some/lose some
- **Accommodating:** lose/win
- **Competing:** win/lose
- **Avoiding:** no winners/no losers

Collaborating

This technique follows the rule "I win, you win". Collaborating means working together by integrating ideas set out by multiple people. The objective here is to find a creative solution acceptable to everyone. It calls for a significant time commitment but is not appropriate for all conflicts.

This technique is used in situations where:

- There is a high level of trust
- We don't want to take complete responsibility
- We want others to also have "ownership" of solutions
- People involved are willing to change their thinking
- We need to work through animosity and hard feelings

However, this process takes a lot of time and energy and some may take advantage of other people's trust and openness.

Example: A businessman should work collaboratively with the manager to establish policies, but collaborative decision-making regarding office supplies wastes time better spent on other activities.

Compromising

This technique follows the rule "You bend, I bend". Compromising means adjusting with each other's opinions and ideas, and thinking of a solution where some points of both the parties can be entertained. Similarly, both the parties need to give up on some of their ideas and should agree with the other.

This technique can be used in situations where:

- People of equal levels are equally committed to goals
- Time can be saved by reaching intermediate settlements on individual parts of complex matters
- Goals are moderately important

Important values and long-term objectives can be derailed using this technique. This process may not work if initial demands are high and mainly if there's no commitment to honor the compromise solutions.

Example: Two friends had a fight and they decide to compromise with each other through mutual understanding.

Accommodating

This technique follows the rule "I lose, you win". Accommodating means giving up of ideas and thoughts so that the other party wins and the conflict ends. This technique can be used when:

- An issue is not that important to us as it is to the other person
- We realize we are wrong
- We are willing to let others learn by mistake
- We know we cannot win
- It is not the right time and we would prefer to simply build credit for the future
- Harmony is extremely important
- What the parties have in common is a good deal more important than their differences

However, using this technique, one's own ideas don't get attention and credibility, and influence can be lost.

Example: When we fight with someone we love we choose to let them win.

Competing

This technique follows the rule "I win, you lose". Competing means when there is a dispute a person or a group is not willing to collaborate or adjust but it simply wants the opposite party to lose. This technique can be used when:

- We know you are right.
- Time is short and a quick decision is to be made.
- A strong personality is trying to steamroll us and we don't want to be taken advantage of.
- We need to stand up for our rights.

This technique can further escalate conflict or losers may retaliate.

Example: When in a debate the party with more facts wins.

Avoiding

This technique follows the rule "No winners, no losers". Avoiding means the ideas suggested by both the parties are rejected and a third person is involved who takes a decision without favoring any of the parties. This technique can be used when:

- The conflict is small and relationships are at stake
- We are counting to ten to cool off
- More important issues are pressing and we feel we don't have time to deal with this particular one

- We have no power and we see no chance of getting our concerns met
- We are too emotionally involved and others around us can solve the conflict more successfully

Using this technique may lead to postponing the conflict, that may make matters worse.

Example: Rahul and Rohit had a fight, their mother came and punished both of them.

18. ORGANIZATIONAL CULTURE

Organizational culture can be defined as the group norms, values, beliefs and assumptions practiced in an organization. It brings stability and control within the firm. The organization is more stable and its objective can be understood more clearly.

Organizational culture helps the group members to resolve their differences, overcome the barriers and also helps them in tackling risks.

Elements of Organizational Culture

The two key elements seen in organizational culture are:

- **Visible elements:** These elements are seen by the outer world. Example, dress code, activities, setup, etc.
- **Invisible elements:** These inner elements of the group cannot be seen by people outside the group or firm. Example, values, norms, assumptions, etc. Now let us discuss some other elements of organizational culture. They are:
 - **Stories:** Stories regarding the history of the firm, or founder.
 - **Rituals:** Precise practices an organization follows as a habit.
 - **Symbol:** The logo or signature or the style statement of a company.
 - **Language:** A common language that can be followed by all, like English.
 - **Practice:** Discipline, daily routine or say the tight schedule everyone follows without any failure.
 - **Values and Norms:** The idea over which a company is based or the thought of the firm is considered as its value and the condition to adopt them are called norms.
 - **Assumptions:** It means we consider something to be true without any facts. Assumptions can be used as the standard of working, means the employees prepare themselves to remain above standard.

Different Types of Organizational Culture

The culture a firm follows can be further classified into different types. They are:

- Mechanistic and Organic culture
- Authoritarian and Participative culture
- Subculture and Dominant culture
- Strong and Weak culture
- Entrepreneurial and Market culture

Mechanistic and Organic Culture

Mechanistic culture is formed by formal rule and standard operating procedures. Everything needs to be defined clearly to the employees like their task, responsibility and concerned authorities. Communication process is carried according to the direction given by the organization. Accountability is one of the key factors of mechanistic culture.

Organic culture is defined as the essence of social values in an organization. Thus there exists a high degree of sociability with very few formal rules and regulations in the company. It has a systematic hierarchy of authority that leads towards free flow of communication. Some key elements of organic culture include authority, responsibility, accountability and direct flow towards the employee.

Authoritarian and Participative Culture

Authoritarian culture means power of one. In this culture, power remains with the top level management. All the decisions are made by the top management with no employee involvement in the decision making as well as goal shaping process. The authority demands obedience from the employee and warns them for punishment in case of mistake or irregularity. This type of culture is followed by military organization.

In participative culture, employees actively participate in the decision making and goal shaping process. As the name suggests, it believes in collaborative decision making. In this type of culture, employees are perfectionist, active and professional. Along with group decision making, group problem solving process is also seen here.

Subculture and Dominant Culture

In subculture, some members of the organization make and follow a culture but not all members. It is a part of organizational culture, thus we can see many subcultures in an organization. Every department in a company have their own culture that gets converted to a subculture. So, the strength and adaptability of an organizational culture is dependent on the success of subculture.

In dominant culture, majority of subculture combine to become a dominant culture. The success of dominant culture is dependent on the homogeneity of the subculture, that is, the mixture of different cultures. At the same point of time, some cold war between a dominant culture and a minor culture can also be seen.

Strong and Weak Culture

In a strong culture, the employees are loyal and have a feeling of belongingness towards the organization. They are proud of their company as well as of the work they do and they slave towards their goal with proper coordination and control. Perception and commitment are two aspects that are seen within the employees. In this culture, there is less employee turnover and high productivity.

In a weak culture, the employees hardly praise their organization. There is no loyalty towards the company. Thus, employee dissatisfaction and high labor turnover are two aspects of this culture.

Entrepreneurial and Market Culture

Entrepreneurial culture is a flexible and risk-taking culture. Here the employees show their innovativeness in thinking and are experimental in practice. Individual initiations make the goal easy to achieve. Employees are given freedom in their activity. The organization rewards the employees for better performance.

Market culture is based on achievement of goal. It is a highly target-oriented and completely profit-oriented culture. Here the relationship between the employees and the organization is to achieve the goal. The social relation among the workers is not motivating.

How to Create an Organizational Culture

An organizational culture is created with the combination of certain criteria that are mentioned below:

- The founder of the organization may partly set a culture.
- The environment within which the organization standards may influence its activities to set a culture.
- Sometimes interchange of culture in between different organizations create different new cultures.
- The members of the organization may set a culture that is flexible to adapt.
- New cultures are also created in an organization due to demand of time and situation.

The culture of an organizational can change due to composition of workforce, merger and acquisition, planned organizational change, and influence of other organizational culture.

19. 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 place 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.

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

20. ORGANIZATIONAL DEVELOPMENT

Organizational Development is a field of research, theory, as well as practice devoted to expanding the knowledge and effectiveness of how people accomplish successful organizational change and performance.

Organizational development is not an overnight transformation that can be done in an organization, rather it is a gradual process that has to be executed systematically and by taking care of the external environment.

Organizational Development Techniques

Companies adopt organizational development technique to modify the behavior of people who are resisting change. It is a program to bring a change in the values, norms, attitudes, perception, and behavior of people and improve the quality of inter-personal relations. Some of the major organizational development techniques are:

- Sensitivity technique
- Survey feedback
- Process consultation
- Team building
- Intergroup development

Now let us have a look at all these techniques.

Sensitivity Technique

Here sensitivity refers to the psychological aspect of human mind that has to be shaped to act as expected by the group. In this technique, one's own weakness is exposed and members understand how others react towards them. Stress is on group dynamics and tackling inter-relationship disputes.

The idea is to improve the behavior of people in order to maintain smooth inter-personal relationship without any power or influence. Members are motivated to have an open, heart-to-heart talk to develop mature relationship. Sensitivity training borders on psychotherapy where the emotions as well as body language are considered.

Survey Feedback

In this technique, the discrepancies among a group are weeded out using questionnaires, which identify the difference in perception amongst the same working family, group or department. The collected data is then tabulated and distributed for further deliberations. This acts as the basis for further discussions and the discrepancies if any can be sorted out by open discussions with all concerned, defending and opposing till a consensus is reached. This technique mainly focuses on ideas and not on persons who put up those ideas.

Process Consultation

In this technique, a firm may either seek the support of experts from within the firm or from outside. The firm must check that process consultation is done through an external expert with the needed support provided by the authorities from within the organization.

Team Building

In this technique, attempts are made at the group or inter-group level. The main objective is to improve co-ordination thereby improving the performance as a group. This can be done by goal setting, development of inter-personal relations, role analysis to identify roles and responsibilities and team process analysis.

Intergroup Development

Inter group development technique attempts to change the perceptions of groups about themselves or about other groups. This can be done by organizing independent group meeting, developing a list consisting of perception of itself, views about other departments and how others view them, trying to understand and resolve the actual cause of conflicts, or sub grouping the groups to remove difference in perceptions and impressions that groups have about each other.