

Compulsory Generic Core Course

102 -Organizational Behaviour

Unit 1 – Fundamentals of OB

Evolution of Management Thought

The evolution of management thought is a process that started in the early days of man. It began since the period man saw the need to live in groups. Mighty men were able to organize the masses, share them into various groups. The sharing was done accord to the masses' strength, mental capacities, and intelligence. The evolution of management thought is shared into four different stages. These include:

Pre-scientific management period

Classical theory

Neo-classical theory or behaviour approach

Bureaucratic Model of Max Weber

The Pre-Scientific Management Period

The industrial revolution that took place in the 18th century had a significant impact on management as a whole. It changed how businesses, as well as individuals, raised capital; organize labor and the production of goods. Entrepreneurs had access to all the factors of production such as land, labor, and capital. Theirs was to make an effort to combine these factors to achieve a targeted goal successfully.

Professor Charles Babbage – United Kingdom (1729 – 1871)

Prof Babbage, a renowned professor in mathematics at Cambridge University discovered that manufacturers were relying on guesswork and suggestions and urged them to utilize mathematics and science to be more accurate and productive.

Robert Owens – United Kingdom (1771 – 1858)

Robert was regarded as the father of personnel management because of his approach and focus on employee welfare. He introduced co-operation and trade unions. Robert believed that employee welfare could determine their performance to a large extent. He encouraged the training of workers, education for their children, canteens in the workplace, shorter working hours, among others.

The Classical Theory

During the classical period, management thought was focused on job content, standardization, the division of labor, and a scientific approach towards the organization. It also was closely related to the industrial revolution as well as the rise of large-scale enterprises.

The Neo-Classical Theory

This period of evolution of management thought is an improvement of the classical theory. In other words, it modified and improved upon the classical theory. For instance, Classical theory focused more on the area of job content, including the management of physical resources, while neo-classical theory gave more profound emphasis on employee relationships in the work environment.

The Bureaucratic Model

A German Sociologist called Max Weber proposed this model. And it includes a system of rules, division of labour hinged on functional specialization, legal authority, and power, the hierarchy of authority, and placement of employees based on their technical competence.

Five Functions of Management

Planning - According to KOONTZ, “Planning is deciding in advance - what to do, when to do & how to do. It bridges the gap from where we are & where we want to be”. It is the basic function of management. It deals with chalking out a future course of action & deciding in advance the most appropriate course of actions for achievement of pre-determined goals. Planning is necessary to ensure proper utilization of human & non-human resources. It is all pervasive, it is an intellectual activity and it also helps in avoiding confusion, uncertainties, risks, wastages etc.

Organising - According to Henry Fayol, “To organize a business is to provide it with everything useful or its functioning i.e. raw material, tools, capital and personnel’s”. To organize a business involves determining & providing human and non-human resources to the organizational structure.

Staffing - According to Kootz & O’Donell, “Managerial function of staffing involves manning the organization structure through proper and effective selection, appraisal & development of personnel to fill the roles designed un the structure”. It is the function of manning the organization structure and keeping it manned. The main purpose of staffing is to put right man on right job i.e. square pegs in square holes and round pegs in round holes.

Directing - It is that part of managerial function which actuates the organizational methods to work efficiently for achievement of organizational purposes. It is considered life-spark of the enterprise which sets it in motion the action of people because planning, organizing and staffing are the mere preparations for doing the work.

Controlling - According to *Theo Haimann*, “Controlling is the process of checking whether or not proper progress is being made towards the objectives and goals and acting if necessary, to correct any deviation”. . The purpose of controlling is to ensure that everything occurs in conformities with the standards. An efficient system of control helps to predict deviations before they actually occur.

Definition of Organisational Behaviour:-

Fred Luthans – “OB is directly concerned with the understanding, prediction and control of human behavior in organization.”

Keith Davis quoted as " *Organizational Behavior* is the study and application of knowledge about how people act within organization.“

Scope :-

Organizational behavior studies attitudes and behaviors of workers and tries to determine the best ways to effectively manage and change them.

Organizational behavior also studies how organizations can be more effective and how events in the external environments affect organizations.

Learning about organizational behavior in today's business environment will help managers develop a better work related understanding of themselves and their subordinates. This understanding can help future managers obtain a successful career in the business world.

Importance of OB :

Progress of organization towards its goals.

Productivity, Absenteeism, Turnover.

Organizational Behaviour is a field of study that investigates the impact that individuals, groups, and structure have on behaviour within organizations for the purpose of applying knowledge toward improving an organization's effectiveness.

There are many reasons for the importance of organizational behaviour in an organization. First, most people are born and educated in organizations, acquire most of the material possessions from organizations, and die as members of organizations. In addition, we can be consumers, employees, or investors in an organization.

The study of organizational behaviour can greatly clarify the factors that affect how managers manage.

The value of organizational behaviour is that it isolates important aspects of the manager's job and offers specific perspectives on the human side of management. An understanding of organizational behaviour can play a vital role in managerial work.

Relationship between OB and Individual

Following are the things which can make strong bonding between an individual and an organization:-

Motivation:- is what drives a person to participate in an organization. A motivated person generally works harder, produces more, and maintains a better attitude than a person who feels unmotivated.

Reciprocity:- In terms of organizational behaviour, social exchange theories predict that those in leadership roles can garner employee backing for company agendas if those employees are treated favourably.

Positivity:- Confidence, hope, resiliency and optimism -- these are the important positive psychological traits that lay behind constructive activity and organizational behaviour. This capital can belong to individuals, groups, leaders and to the organization itself.

Group Belonging:- Social identity theory refers to the identity a person feels as a member of a group. A sense of group belonging can be a powerful force in an organization because people tend to favour others who are of their group as an extension of self.

Evolution of OB

Industrial Revolution:- Then came the Industrial Revolution which brought about materialism, discipline, monotony, boredom, job displacement, impersonality, work interdependence and related behavioural phenomena. In this new industrial environment, Robert Owen, a young Welsh factory owner, about the year 1800 was one of the first to emphasize the human needs of employees. He refused to employ young children. He taught his workers cleanliness, temperance and improved their working conditions.

Scientific Management:- The very mention of scientific management brings Taylor to our memory. He is appropriately called the 'father of scientific management' as he converted broad generalization into practical tools. He was also responsible for awakening interest in workers in the 1900s. Taylor advocated the selection of right people for right jobs, training them adequately, placing them in jobs for which they were best suited and remunerating them handsomely. To be sure, Taylor's goal was technical efficiency, but at least management was awakened to the importance of human resources, which was hitherto neglected.

The Human Relations Movement:- The failure of Scientific Management gave birth to the human relations movement which is characterized by heavy emphasis on employee cooperation and morale. Under this, people were to be treated as human beings and not as machines listening to their needs and problems and involving them in decision-making in matters relating to working conditions. There are varied and complex reasons for this human relations position. Historically, three of most imp. Contributing factors would be The Great Depression, the labor movement, the results of the now famous Hawthorne Studies.

Labor Movement:- Continued exploitation made workers realize that their protection lay in their own hands. They formed strong unions and this had the desired effect on management. Management began to place primary emphasis on employee relations and secondary attention was given to wages, hours of work and conditions of employment.

Hawthorne Studies:- It gave academic status to the study of OB. In the 1920's and 30's, Elton Mayo studied human behaviour at work at Harvard University. The study was conducted at Western Electric Company, Hawthorne Plant. The study points out that the worker is not a simple tool but a very complex personality interacting in a group situation.

Organisational Behavior:- The human relations movement thus started, continued and flourished for a long time. Some practitioners began to emphasize the big smile, 'being nice to people' and keep them happy, while subtly trying to manipulate employees. Naturally, the human relations movement received serious criticism.

Models Of OB

The Autocratic Model

The basis of this model is power with a managerial orientation of authority. The employees in turn are oriented towards obedience and dependence on the boss. The employee need that is met is subsistence. The performance result is minimal.

The Custodial Model

The basis of this model is economic resources with a managerial orientation of money. The employees in turn are oriented towards security and benefits and dependence on the organization. The employee need that is met is security. The performance result is passive cooperation.

The Supportive Model

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

The Collegial Model

The basic foundation of the collegial model lies on management's building a feeling of partnership with employee. Under collegial approach, employees feel needed and useful. They consider managers as joint contributors to organizational success rather than as bosses.

S-O-B-C stands for Stimulus, Organism (a person), Behavior and Consequence.

Stimulus: is any event that happens in the environment, it can be a sound (like someone shouting) a scene (a car accident, a fight. etc...), events (like receiving a paycheck).

Organism: is a person, nothing more can be said about this, so in OB you can consider that to be an employee or an employer.

Behavior: the organism behavior and response in regards to the stimulus (for example a child (Organism) may hit (Behavior) his brother after seeing a violent movie (Stimulus).

Consequence: is the outcome that comes after the behavior, it either reinforces (thus repeated) the behavior or punished (thus not repeated).

Limitations of OB

Organizational behaviour cannot abolish conflict and frustration but can only reduce them.

People who lack system understanding may develop a 'behavioural bias', which gives them a narrow view point,

OB helps an individual to understand human behaviour only at workplace or he/she may be a failure at domestic front.

A significant concern about organizational behaviour is that its knowledge and techniques could be used to manipulate people without regard for human welfare.

Values, Attitudes and Emotions

A value may be defined as a concept of a desirable, an internalised criterion or standard of evaluation a person possesses. Such concepts and standards are relatively few and determine or guide an individual's evaluations of the many objects encountered in everyday life.

Values represent stable, long lasting beliefs about what is important.

Attitudes: - Attitude is a state of mind of an individual towards something. It may be defined as a tendency to feel and behave in a particular way towards objects, people or events.

Emotions:- Emotions are psychological states comprised of thoughts, feelings, physiological changes, expressive behaviors, and inclinations to act.

Some emotions are considered primary emotions that we are innately born to experience. Other emotions are considered secondary, or are learned through experience. As humans, our emotions have an evolutionary basis, purpose, and we are so lucky to have them!

Importance of Attitude in an organisation:-

Attitude reflects leadership.

Creates positive work environment.

Motivating Factor for others as well as for our self.

Attitude is an energizing factor.

Improve Relationship.

Right Attitude:-

Having the right attitude can make the difference between success and failure. It doesn't matter if you're dealing with the business world or your own family; the right attitude counts, and a good leader not only displays the right attitude at all times, he does his best to encourage the right attitude in others. Having the right attitude motivates other people to change their negative thinking and come over to your side.

The three basic components of attitude are cognitive, Affective and Behavioural part.

Cognitive Component of Attitude refers to opinion or belief part of attitude. When you form your opinion or judgment on the basis of available information and decide whether you have a favourable or unfavourable opinion on that, it is the cognitive part of attitude we are talking about.

Affective Component of Attitude refers to the emotional aspect of attitude. This is perhaps the most often referred part of attitude and decides mostly the desirable or undesirable aspect attitude.

Behavioural Component of Attitude refers to the behavioural part of attitude. If we have a positive attitude for a particular object, it is likely to be translated into a particular type of behaviour, such as buying or procuring that object.

Relationship between attitude and behaviour:-

Attitude directs the behaviour. Once people's attitudes are established, then we can accurately predict how they behave? It is generally agreed that attitudes form only one determinant of behaviour. They represent predispositions to behave in particular ways but how we actually act in a particular situation will depend on the immediate consequences of our behaviour,

Emotional Intelligence: - Emotional intelligence (EI) refers to the ability to perceive, control and evaluate emotions. Some researchers suggest that emotional intelligence can be learned and strengthened, while others claim it is an inborn characteristic.

Fundamentals of Emotional Intelligence: - 1) Self-awareness is the ability to accurately recognize your: emotions, strengths, limitations, actions and understand how these affect others around you. 2) Self-regulation allows you to wisely manage your emotions and impulses - you show or restrain certain emotions depending on what is necessary and beneficial for the situation.

3) Empathy

To be empathetic means you are able to identify and understand others' emotions i.e. imagining yourself in someone else's position.

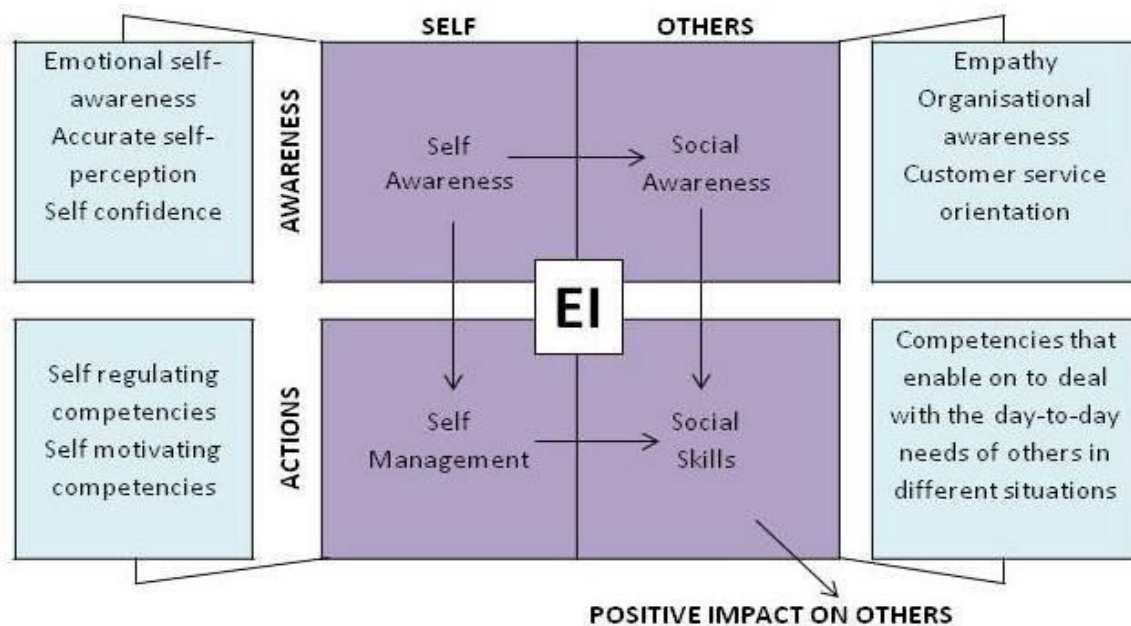
4) Motivation

Being self-motivated consists of: enjoying what you do, working towards achieving your goals and not being motivated by money or status.

5) Social skills

Effective social skills consist of managing relationships in a way that benefits the organization.

The Emotional Competency Framework



Francis and Barnard (2004)

Benefits of Emotional Intelligence –

Performance at Work:- Emotional intelligence can help to navigate the social complexities of the workplace, lead and motivate others, and excel in your career.

Physical health:- If someone is unable to manage stress levels, it can lead to serious health problems. Uncontrolled stress can raise blood pressure, suppress the immune system, increase the risk of heart attack and stroke, contribute to infertility, and speed up the aging process. The first step to improving emotional intelligence is to learn how to relieve stress.

Mental health:- Uncontrolled stress can also impact mental health, making vulnerable to anxiety and depression. If someone is unable to understand and manage emotions, it'll also be open to mood swings, while an inability to form strong relationships can leave feeling lonely and isolated.

Relationships :- By understanding our emotions and how to control them, we are better able to express how we feel and understand how others are feeling. This allows us to communicate more effectively and forge stronger relationships, both at work and in personal life.

Personality and Attitude

Personality is the unique and relatively stable patterns of behaviour, thoughts, and emotions shown by individuals. Personality helps us understand why employees behave as they do. Motivation centres around personality. Personality helps in the selection of right people for the right jobs. Personality is an important determinant of employee behaviour.

R.B.Cattell “Personality is that which permits a prediction of what a person will do in a given situation.”

Importance of Personality for Performance:-

Managing Team Diversity:- A team has many members having different personalities. By combining all of their personalities on the same team, team has the ingredients for success in a project.

High Level of Motivation: - Different personalities can motivate one another.

Creativity and Analysis: - Creative team members are vital to helping companies find new ways of doing business, marketing or designing new products.

Employee Morale: - By keeping workforce full of diverse personalities, one can be assured that morale is high while distractions are low.

The Myers-Briggs Type Indicator:-

1) Introversion/Extraversion 2) Perceiving/Judging 3) Sensing/Intuition 4) Thinking/Feeling.

Extroversion/ Introversion: - Extrovert are outgoing, sociable and assertive. Introverts are quiet and shy.

Sensitive / Intuitions: - Sensing types are practical and prefer routine and order. They focus on details. Intuitions rely on unconscious process and even inspiration.

Thinking / Feeling: - Thinking types use reason and logic to handle problems. Feeling types rely on their personal values and emotions.

Judging / perceiving: - Judging types want control and prefer their world to be ordered and structured. Perceiving types are flexible and spontaneous.

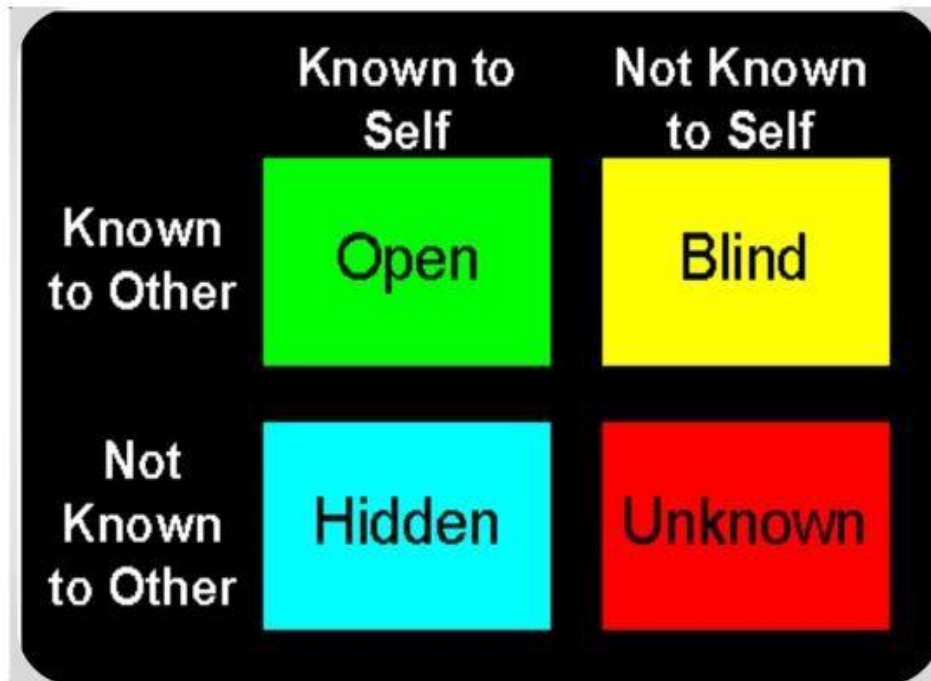
The “Big Five” Personality Traits:-

In the field of organizational behaviour and human resource management, the “Big Five”, traits have held up as accounting for personality in many analyses over the years and even across cultures.

| <u>Core Traits</u> | | <u>Descriptive Characteristics of High scorers</u> |
|---------------------|-------|---|
| Consciousness | ----- | Dependable, hardworking, organized, self-Disciplined, persistent, responsible |
| Emotional Stability | ----- | Calm, secure, happy, unworried |
| Agreeableness | ----- | Cooperative, warm, caring, good-natured, courteous, Trusting |
| Extraversion | ----- | Sociable, outgoing, talkative, assertive, gregarious |

Openness to experience-----Curious, intellectual, creative, cultured, artistically
Sensitive, flexible, imaginative

Johari Window



Johari window four quadrants:-

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

Transaction Analysis

It was introduced by Eric Berne.

Transactional analysis is a technique used to help people better understand their own and other's behavior, especially in interpersonal relationships.

It is a good method for understanding interpersonal behavior.

It offers a model of personality and the dynamics of self and its relationship to others that makes possible a clear and meaningful discussion of behavior.

Unit 2 - Perception

Meaning and Concept of Perception:-

The key to understanding perception is to recognize that it is a unique interpretation of the situation, not an exact recording of it. In short, perception is a very complex cognitive process that yields a unique picture of the world, a picture that may be quite different from reality. Applied to organizational behaviour, an employee's perception can be thought of as a filter. Because perception is largely learned and no one has the same learning and experiences, then every employee has a unique filter and the same situations/stimuli may produce very different reactions and behaviours.

Definitions:-

- 1) Collins and Drever:- "Perception is the immediate apprehension of an object or situation affecting any or all of the sense organs by way of sensation."
- 2) Stephen P. Robbins:- "Perception can be defined as a process by which individuals organise and interpret their sensory impressions in order to give meaning to their environments."

Factors influencing perception:-

Factors in the perceiver:-

Attitudes
Motives
Interests
Experience
Expectations

Factors in the situation:-

Time
Work Setting
Social Setting

Factors in the target:-

Physical Appearance
Verbal Communication
Non-verbal Communication
Objects



Perception

Selective Perception

The process of filtering information received by our senses is called selecting stimuli or selective perception. Several factors influence selective perception. Some of them are external and others are internal to the body.

Attribution Theory:-

Attribution simply refers to how people explain the cause of another's or their own behaviour. Like equity theory, it is the cognitive process by which people draw conclusions about the factors that influence or make sense of one another's behaviour. There are two general types of attributions that people make: - dispositional attributions which ascribe a person's behaviour to internal factors such as personality traits, motivation or ability and situational attributions which attribute a person's behaviour to external factors such as equipment or social influence from others.

Perceptual Process:-

Perception is more complex and much broader than sensation. The perceptual process or filter can be defined as a complicated interaction of selection, organisation and interpretation. Although perception depends largely on the senses for raw data, the cognitive process filters, modifies or completely change these data.

3 stages of perception process are:-

- 1) Selection
- 2) Organization
- 3) Interpretation.

Social Perception:-

Social Perception is directly concerned with how one individual perceives other individuals, how we get to know others.

Stereotyping:-

The term stereotype refers to the tendency to perceive another person (hence social perception) as belonging to a single class or category. It is the fact that stereotyping may attribute favourable or unfavourable traits to the person being perceived. Most often a person is put into a stereotype because the perceiver knows only the overall category to which the person belongs.

Halo Effect:-

The halo effect in social perception is very similar to stereotyping. Halo is often discussed in performance appraisal when a rater makes an error in judging a person's total personality and/or performance on the basis of a single positive trait such as intelligence, appearance, dependability or cooperativeness.

Motivation:-**Definition and Concept of Motive and Motivation:-**

Motive can be defined as "A tendency to activity initiated by a drive and concluded by an adjustment. "It is a reason for doing something."

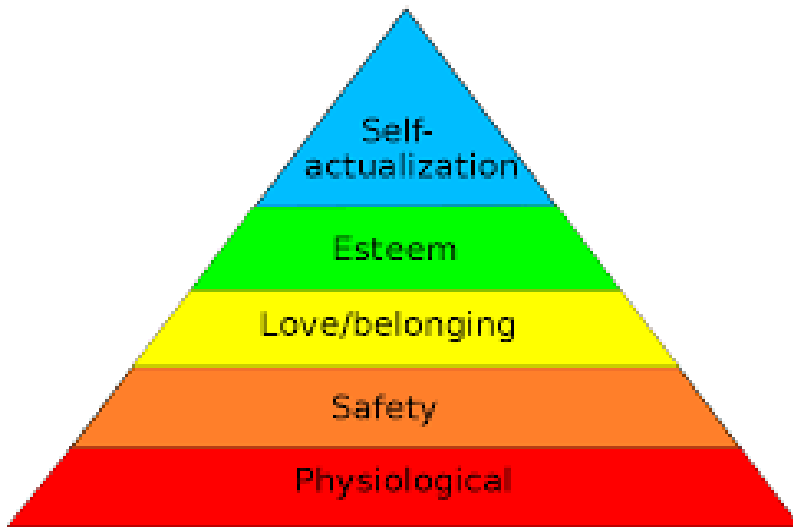
Eg.s :- Their motive in running away was to avoid being punished.

I think he is the guilty of the crime. He had the motive, the means and the opportunity.
Smith and Cronje "Motive is a drive that motivates individual to take the action he believes will satisfy his needs."

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

Content Theories of Motivation

Maslow’s Need Hierarchy



Basic Physiological Needs – These needs relate to the survival and maintenance of human life. These needs include things such as food, clothing, shelter, air and other necessities of life.

Safety and security Needs:- After satisfying the basic needs. People want the assurance of maintaining a given economic level. They want job security, provision for old age etc.

Love/Belonging Needs:- Human wants social needs such as sociability, exchange of feelings etc. Non-satisfaction of this level of needs may affect the mental health of the individual.

Esteem/Ego Needs: - It includes self-confidence, independence, achievement, knowledge and success.

Self-Actualisation Needs :-It is the final step for self-fulfilment or the need to fulfil what a person considers to be his mission in life. The sense of achievement gives human psychological satisfaction.

Herzberg's Two Factor Model Theory:-



The Process Theory

Vroom's Expectancy Theory:-

The theory assumes that behaviour results from conscious choices among alternatives whose purpose is to maximize pleasure and minimize pain.

The key elements to this theory are referred to as following-

1. Valence (V)
2. Instrumentality (I)
3. Expectancy (E)

Valence:- The term refers to the emotional orientation people hold with respect to outcomes (rewards).

Instrumentality:- The Instrumentality refers to the belief that the first level outcome will lead to the second level outcome .

Expectancy:- Expectancy refers to the belief that an effort will lead to completion of a task.

Porter Lawler Model : -

Main Elements of Model

1. Effort, -Effort refers to the amount of energy an employee exerts on a given task.
2. Performance –One's effort leads to his/her performance. Both may be equal or may not be.
3. Satisfaction. - Performance leads to satisfaction. The level of satisfaction depends upon the amount of rewards achieved.

Contemporary Theories

Equity Theory Of Work Motivation:-

Equity occurs when a person perceives that the ratio of his or her outcomes to inputs and the ratio of a relevant other's outcomes to inputs are equal.

- $\frac{\text{Person's outcomes}}{\text{Person's inputs}}$
- $\frac{\text{other's outcomes}}{\text{other's inputs}}$
- $\frac{\text{Person's outcomes}}{\text{Person's inputs}}$
- $\frac{\text{other's outcomes}}{\text{other's inputs}}$
- Equity occurs when
- $\frac{\text{Person's outcomes}}{\text{Person's inputs}} = \frac{\text{other's outcomes}}{\text{other's inputs}}$

Unit 3 –Group and Team Dynamics

The Meaning of Group & Group Behaviour & Group Dynamics:-

. “A group is defined as two or more individual’s interactions and interdependent who come together to achieve particular objective or common goal. “Group possesses four common characteristics:- 1) interaction among members 2) common interests or goals 3) people see themselves as members 4) two or more people are needed to form groups.

Group behavior in an organization is quite complex. Group behavior refers to the situations where people interact in large or small groups. A large group (a crowd or mob) is likely to show e.g. of group behavior when people gathered in a given place and time act in a similar way.

.”Group dynamics may be stated as the behavior of individuals as members of a group in an organizational setting.” Group dynamics refers to the study of forces operating within a group, defines Keith Davis. He further states that, “The social process by which people interact face to face in small group is called group dynamics.

Types of Groups:-

- 1) Formal Groups
- 2) Informal Groups
- 3) Command Groups
- 4) Task Groups
- 5) Interest Groups
- 6) Friendship Groups

The Five-Stage Model Of Group Development:-

1) Forming:- This stage is characterized predominately by a feeling of uncertainty among the group members as they now try to establish ground rules and pattern of relationship among themselves.

2) Storming: - One of the intra-group conflicts stage. Members often show hostility towards each other and resist the leader’s control. If these conflicts are not adequately resolved, the group may even be disabdoned. But, usually, the group eventually comes in terms with each other and accepts the leadership role at the end of this stage.

3) Norming: - Close relationship develops and the group demonstrates cohesiveness. A strong sense of group identity and companionship. This stage completes when the group members can set a common target and agree on the way of achieving this.

4) Performing: - At this point, group is fully functional and accepted. As the group is now fully formed after resolving their internal conflicts of acceptance and sharing responsibility, they can now devote energy to achieve its objectives.

5) Adjourning :- Final stage of group. Group starts to gradually dissolve itself. The group prepares to disband. The high task performance is no longer the required goal. The attention is towards the wrapping up of the activities and responses of the group members.

Team Effectiveness:-

Team effectiveness can be defined as achieving four performance outcomes i.e. innovation/adaptation, efficiency, quality and employee satisfaction. Team effectiveness refers to the system of getting people in a company or institution to work together effectively. The idea behind team effectiveness is that a group of people working together can achieve much more than if the individuals of the team were working on their own.

Team Building:-

Team building can be defined as the process of planning and encouraging working practices that are effective and which minimize the difficulties that obstruct the team's competence and resourcefulness. Team building is a catch-all term for a whole host of techniques aimed at improving the internal functioning of work groups. Whether conducted by company trainers or outside consultants, team building workshops strive for greater cooperation, better communication, and less dysfunctional conflict.

Leadership:-

Introduction:-

Leadership is the process of influencing the behaviour of others to work willingly and enthusiastically for achieving predetermined goals. It is the ability of a leader to induce subordinates to work with confidence and zeal. Leadership changes potential into reality. It is the final act that brings to success or the potential i.e. in an organization and its people. Thus, leadership is the ability to influence a group toward the achievement of goals. In most organizational settings, it is the leader who frames the team purpose and facilitates discussions on its meaning and nature. The vision, commitment, and communication of the leader govern the optics through which individual team members see the team purpose and become aligned to it.

Overview of Leadership:-

Traits and Types:-

Autocratic/Dictatorial leadership style:- Autocratic leader often called a "dictator". The autocratic leader gives orders, which must be obeyed by the subordinates. He determines policies for the group without consulting them and does not give detailed information about future plans, but simply tells the group what immediate steps they must take.

Democratic/Participative Leadership Style:- It decentralizes managerial authority. The leader's decision is taken after consultation with his followers and after their participation in decision making process.

Free Rein or Laissez Faire Leadership Style:- A free rein leader does not lead but leaves the group entirely to itself. He is represented by the chairman of the board who does not manage but leaves all responsibility for most of the work to his subordinates.

Theories Of Leadership:-**Trait Theory:-**

Trait approach is a traditional approach to the theory of leadership. According to these theories, it is thought that a leader has specific trait of mind and intelligence. The trait theory holds the view that successful leader possess these basic qualities and these are inherited rather than acquired. Out of this approach, came the popular belief that “Leaders are born and not made”.

According to Trait theory, a leader is expected to possess the following traits:

- A) Good personality
- B) Tirelessness
- C) Ability to take quick decision
- D) Courage

Behavioural Theory:-

In this approach, the emphasis is on the actual behavior and action of the leaders and not on their traits or characteristics. In other words, this approach emphasizes that strong leadership is the result of effective role behavior.

This approach states that the leader uses three skills to lead his followers. These skills are: technical (refers to a person's knowledge of the process of technique), human (refers to ability to interact with people and conceptual (refers to manager's ideas which enable a manager to set up models and design plans).

Unit 4 – Conflict Management

Definition and Meaning:-

Conflict is serious disagreement and argument about something important. If two people or groups are in conflict, they have had a serious disagreement or argument and have not yet reached agreement. Conflict -“Any tension experienced when one perceives another as thwarting or frustrating his or her needs, or is likely to do so.”

Sources Of Conflict:-

Goal incompatibility and differentiation
Interdependence
Uncertainty and resource scarcity
Reward systems
Poor management.
Unfair treatment.
Unclear job roles.
Inadequate training.
Poor communication.

Types Of Conflict:-

Task Conflict
Relationship Conflict
Value Conflict
Intergroup Conflict
Interorganisational Conflict

Organizational Culture:-

Meaning and Nature Of Organizational Culture:-

Organisational culture is the accumulated tradition of the organizational functioning. It is based on certain values, norms and positive attitudes of an organization. Organizational environment becomes a culture if it is used for motivating people to avoid any friction and adopt the valuable tradition of the organization.

Nature Of Organizational Culture:-

- 1) Prescriptive
- 2) Socially Shared
- 3) Learned
- 4) Enduring
- 5) Dynamic

Functions Of Organization Culture:-

The guiding function.
The incentive function.
The cohesion function
The constraint function

Types Of Culture:-**Strong vs. Weak Culture:-**

Organisational culture can be labelled as strong or weak based on level of sharing of the core values among organizational members and the degree of commitment the members have to these core values. The higher the level of sharing and commitment, the stronger the culture increases the possibility of behaviour consistency amongst its members, while a weak culture opens avenues for each one of the members showing concerns unique to themselves.

Soft vs. Hard Culture:-

Soft work culture can emerge in an organization where the organizations pursues multiple and conflicting goals. In a soft culture the employees choose to pursue a few objectives which serve personal or sectional interests. A typical example of soft culture can be found in a number of public sector organizations in India where the management feels constrained to take action against employees to maintain high productivity. The culture is welfare oriented, people are held accountable for their mistakes but are not rewarded for good performance. Consequently, the employees consider work to be less important than personal and social obligations.

Formal Vs Informal Culture:-

The work culture of an organization to a large extent, is influenced by the formal components of organizational culture. Roles, responsibilities, accountability, rules and regulations are components of formal culture. They set the expectations that the organization has from every member and indicated the consequences if these expectations are not fulfilled. Informal cultural on the other hand has tangible and intangible, specific and non-specific manifestations of shared values, beliefs, and assumptions. This part of organizational culture comprising of artifacts, symbols, ceremonies, rites, and stories is highlighted in almost all the definitions of organizational culture.

Creating and Maintaining Organization Culture:-

Creating Vision
Operationalizing Values and Vision
Socialization of Employees
Building on Employee Strengths
Rewarding More than Punishing
Emphasizing Vitality and Growth

Managing Cultural Diversity

- 1) Understanding Cultural Differences
- 2) Introducing Free Speech
- 3) Practicing Effective Communication
- 4) Working Calendars

Unit 5 – Stress at workplace**Workplace Spirituality:-**

Spirituality means something different to everyone. For some, its about participating in organized religion going to church, a mosque etc. For others, its more personal. But workplace spirituality is not about organized religious practices. It is not about God or theology. Workplace spirituality recognizes that people have an inner life that nourishes and is nourished by meaningful work that takes place in the context of community. Spirituality at work is about leaders and followers who understand themselves as spiritual beings who have a sense of calling that provides meaning and purpose of their lives. It is also about membership where people experience a sense of belonging, connectedness to one another and their workplace community. Spirituality in the workplace is about individuals and organizations seeing work as a spiritual path, as an opportunity to grow and to contribute to society in a meaningful way. It is about care, compassion and support of others, about integrity and people being true to themselves and others.

Organisational Change:-**Meaning, definition & Nature Of Organisational Change**

Change refers to any alteration that occurs in total work environment. Generally people are accustomed to a well-established way of life and any variation and deviation from that life may be called as a change. Organisational changes are the changes of attitude, natures and interest of employees, technological and environmental changes related to an organization and changes in rules and regulations affecting the organization.

According to Francis and Sinclair:-“Organisational change is an ongoing process of social construction that comprises spiral patterns of discursive change and restructuring of collective meanings.”

Nature of Organisational Change:-

- 1) **Change Disturbs Old Equilibrium:** - When change occurs in any part of the organization, it disturbs the old equilibrium necessitating the development of a new equilibrium. The type of new equilibrium depends on the degree of change and its impact on the organization.
- 2) **Change Affects Whole organization:** - Any **change** may affect the whole organisation, some parts of the organization may be affected more, others less, some parts are affected directly, others indirectly.
- 3) **Change is a continuous Process:** - It's a continuous process. However, some changes which are of minor type may be absorbed by the existing equilibrium, others which are major ones, may require special change efforts.
- 4) **Change may be Reactive or Proactive:** - When change is brought about due to the pressure of external forces, it is called reactive change. Proactive change is initiated by the management on its own to increase organizational effectiveness.
- 5) **Change is perceptual and Behavioural:** - It is a way of thinking and a set of behaviours to enact that thinking.
- 6) **Change is natural, as is death:** - It is the rule, not the expectation. Slow change, which does not characterize many contemporary organizations, seems easier to adjust than rapid change, which we often equate with disruption.
- 7) **Change may be planned or unplanned:** - Planned change is deliberately shaped by those within an organization. Unplanned change is promoted by forces outside an organization, whose response is reactive rather than proactive.

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Types of Organisational change:-

- 1) **Happened change:-** Happened change is a change that is rather unpredictable and that takes place naturally due to external factors. eg. Currency devaluation, over which it has no control, adversely affects the business of a company that has no import its basic raw material.
- 2) **Reactive Change:-** It occurs when forces to change make it necessary for a change to be implemented. New strategic moves made by the competitors, new scientific and technological discoveries and performance problems are common reasons for reactive change.
- 3) **Anticipatory Change:-** It is **carried** out in expectation of an event or a series of events are called anticipatory changes. It involves changing the organization from the existing state towards a designed future state and managing the transition process.
- 4) **Planned Change:-** It occurs when leaders in the organization recognize the need for a major change and proactively organize a plan to accomplish the change. It is based on a proactive and well done plan, often does not occur in a highly organized fashion.
- 5) **Process-oriented Change:-** These changes relate to the recent technological developments, information processing and automation. This will involve replacing or re-training personnel, heavy capital equipment investment, and operational changes, All this will affect the organizational culture and as a result the behaviour pattern of the individuals.
- 6) **People-oriented change:-** People oriented changes are directed towards performance improvement, group cohesion, dedication, loyalty to the organization as well as developing a sense of self-actualisation among members. This can be made possible by closer interaction with employees and by special behavioural training and modification sessions.

Forces that acts as Stimulants to Change:-

External Forces:-

a) **Technology:-** It is a major external force which calls for change. The rate of technological change is greater today than any time in the past and technological changes are responsible for changing the nature of jobs performed at all levels in the organizations.

b) **Marketing Conditions:-** Marketing conditions are no more static. They are in the process of rapid change as the needs, desires and expectations of the customers change frequently.

c) **Political Forces:-** Political forces within and outside the country have an important influence on large business houses, particularly, the transnational corporations'.

Internal Forces:-

a) **Changes in managerial personnel:-** Old managers are replaced by new managers which are necessitated because of retirement, promotion, transfer etc. Each manager brings his own ideas and way of working in the organization.

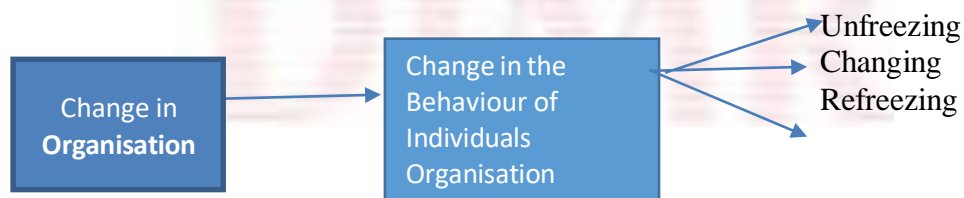
b) **Deficiencies in existing structure:-** Changes may be needed to make up deficiencies in the present organizational set up.

c) **Changes in Employee Expectations:-** It can also trigger change in organizations. A company that hires a group of young newcomers may be met with a set of expectations very different from those expressed by older workers.

d) **Changes in work Climate:-** Changes in the work climate in an organization can also stimulate change. A workforce that seems lethargic, unmotivated and dissatisfied is a symptom that must be addressed.

Kurt Lewin's Three Step Model:-

According to "Kurt Lewin's" Force field model, effective change occurs by unfreezing the current situation, moving to a desired condition, and then re-freezing the system so that it remains in this desired state. Popularly called, three-stage model of change system, Lewin's theory is highly useful in understanding the way of managing change, the three stages are as follows.



Change Process

Unfreezing: The manager has to identify the background factors contributing to resistance to change. He should explain to the subordinates the problems with the present state of affairs, the need for the change, the place and volume of proposed change, the direction and implication of such change etc.

Introducing Change or Moving to the New Level: Once the subordinates become receptive to change, the manager should introduce the proposed change in a systematic manner with the full cooperation of subordinates. They should be guided and helped to learn new methods and techniques implicit in the proposed change.

Refreezing at New Level: it is the phase of stabilization, assimilation and institutionalization of changes which are successfully implemented. The changes are accomplished should remain as a stable and permanent characteristic of the system until need arises for another change.

How to overcome the Resistance to Change?

Resistance to change involves employee's behaviour designed to discredit, delay or prevent the changes introduced for the development of an organization. They resist because they are afraid of their job security, working conditions, status, regression and other factors.

Dealing with Resistance:-

- 1) **Participation and involvement:-** Individuals will find it difficult to resist the change which they participated. Prior to making a change, all those persons who are going to be affected by the change, can be brought into the decision making process. Their doubts and objectives should be removed to win their cooperation. This involvement of the workers can overcome resistance, obtain personal commitment.
- 2) **Communication and Education:-** If the employees do not have adequate information or the information they have is inaccurate, then it is necessary to educate them about the change, when is it to be introduced, why is the change needed, how will it be implemented, its process and its working.
- 3) **Group Discussion:-It** should be encouraged to find out the group's reactions and opinions. All divergent and convergent opinions could be allowed free expression and could be discussed with a sense of involvement.
- 4) **Group Training:-** Training can improve group effectiveness but care must be taken to ensure that the values and assumptions of laboratory training are compatible with the values and assumptions of the organization.

Methods of Implementing Organisational Change:-

Top-Down Approach:- One of the most common ways in which organizations attempt to introduce changes is by pushing the changes down the hierarchy. In this approach, the solutions or decisions are arrived at by people at the top, and then are passed down the formal channels of communication and control in a unilateral manner

Laissez Faire Approach:- It presupposes that systems can change only when its members change. Moreover, it is also based on the assumption that people are primarily rational beings who follow their rational self-interests.

Collaborative Approach:- This third approach to change falls somewhere between the previous two approaches. Neither does it involve dictating the nature and steps of change from the top, nor does it leave the change process entirely in the hands of the functionaries

Developing a learning organization:-

Moving toward becoming a learning organization requires a strategy. It does not just happen overnight, it takes commitment from everyone in the organization and it needs to be part of the organization's long-term strategic objectives. Creating learning organization needs purposive initiatives of leaders. It depends on leaders who hold power or have influence in organization.

The process of developing a learning organization involves following steps:-

Commitment of Top Management:- Creation of learning organization may require major changes in the existing techniques, structures, processes, beliefs, values and even goals.

Sharing of Commitment and Creation of Vision:- From top management commitment for creating learning organization flows sharing of commitment and then, vision of learning organization is created.

Wider Acceptability of Desirability of learning Organisation:- Once vision of learning organization is created, it is communicated organization-wide for wider acceptability of desirability of learning organization.

New Techniques/Structures/Processes:- This is the most crucial step in creating learning organization. Creation of learning organization requires total transformation of the existing organization i.e. aligning existing techniques, structures and processes to the requirements of the learning organization.

Commitment of Entire Workforce:- Changing of existing techniques, structures and processes facilitates the creation of learning organization but it does not work effectively unless there is a commitment of the entire workforce for the learning organization.



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